

October 23, 2023

VIA eTariff

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: Amendment to Service Agreement TSA-NECO-86 Under the ISO New England
Open Access Transmission Tariff, Docket No. ER23-1003-00_**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”), ISO New England Inc. (“ISO-NE”) and The Narragansett Electric Company d/b/a Rhode Island Energy (“RIE”) (together, the “Filing Parties”)² request that the Commission take this proceeding out of abeyance and accept the Local Service Agreement No. TSA-NECO-86 (“TSA-NECO-86”) under the ISO-NE Open Access Transmission Tariff (“OATT”) as revised herein. The Filing Parties propose two changes to TSA-NECO-86 as part of this filing and both changes are consistent with the Commission’s March 31, 2023 Order (“March 31 Order”) conditionally accepting TSA-NECO-86.³ First, the Filing Parties further revise TSA-NECO-86 to add protocols to govern the review and challenge process of the Annual Update of the Block Island Transmission System (“BITS”) surcharge. Second, the Filing Parties revise TSA-NECO-86 to include the Iron Mine Hill Road Substation as a delivery point, to reflect related transmission modifications associated with that delivery point, and to include the assessment of a Direct Assignment Facilities Charge (“DAF Charge”) associated with these facilities that was inadvertently omitted from the version of TSA-NECO-86 submitted as part of the January 31 Filing.⁴ The Filing Parties request that the Commission accept the Service Agreement, effective January 1, 2023 as initially requested in the application filed on January 31, 2023.⁵ RIE is authorized to state that the Rhode Island Division of Public Utilities and Carriers (“Division”)

¹ 18 C.F.R. §§ 385.212, 385.215.

² RIE, and not ISO-NE, has FPA Section 205 rights over Schedule 21-RIE to the ISO-NE OATT, pursuant to which RIE offers and administers Local Service. ISO-NE does not offer or administer Local Service, and joins this filing solely to fulfill its obligations to file Local Service Agreements on behalf of applicable Participating Transmission Owners (“PTOs”), in accordance with Article 3.03(d)(ii) of the Transmission Operating Agreement (“TOA”) between ISO-NE and the PTOs. *See ISO New England Inc.*, 124 FERC ¶ 61,297 (2008).

³ *ISO New England Inc.*, 182 FERC ¶ 61221 (2023).

⁴ As detailed further herein, the Commission already approved the inclusion of these amendments to reflect the construction of the new Iron Mine Hill Road Substation and related transmission modifications, and the assessment of a DAF Charge associated with these facilities in TSA-NEP-86, which TSA-NECO-86 has replaced. *See ISO New England Inc.*, 178 FERC ¶ 61,115 (2022); *order on reh’g*, 179 FERC ¶ 61,186 (2022).

⁵ *ISO New England Inc.*, Tariff Filing, Docket No. ER23-1003-000 (filed Jan. 31, 2023).

supports the proposed protocols. The Division takes no position on the provisions of this submission related to the Iron Mine Hill Road substation.

I. BACKGROUND

On January 31, 2023, the Filing Parties submitted TSA-NECO-86 among RIE as the Transmission Owner and Transmission Customer and ISO-NE to replace Local Service Agreement No. TSA-NEP-86 (“TSA-NEP-86”) in light of the transition in the provision of local network service for the customer from New England Power Company d/b/a/ National Grid (“NEP”) to RIE.⁶ The intent of the Filing Parties was for TSA-NECO-86 to match TSA-NEP-86 with minimal changes to reflect the change in ownership of NECO. Prior to the transition, TSA-NEP-86 permitted the recovery of: (1) the BITS Surcharge and (2) the assessment of a DAF Charge for the Iron Mine Hill Road Substation and related transmission modifications. Replacing TSA-NEP-86 with TSA-NECO-86 will allow RIE to capture and reflect the costs of providing transmission service to itself and to calculate and recover both the BITS Surcharge and the DAF Charge that were originally captured in TSA-NEP-86.

On February 21, 2023, the Division filed a protest.⁷ The Division stated that it was “protest[ing] the Filing because it lacks adequate transparency provisions and challenge procedures as required by Commission precedent.”⁸ Specifically, the Division expressed concern that TSA-NECO-86 did not, consistent with NEP Tariff No. 1, provide for an annual informational filing, or substantial audit and inspection rights concerning the data used in the annual true-up and any transmission charges or credits billed during the service year.⁹ On March 8, 2023, RIE agreed to make a compliance filing to amend TSA-NECO-86 to address the Division’s concerns by clarifying that the BITS Surcharge would be subject to the Protocols for Schedule 21-RIE.

On March 31, 2023, the Commission accepted RIE’s January 31, 2023 filing of Local Service Agreement No. TSA-NECO-86 as a replacement for Local Service Agreement No. TSA-NEP-86. The Commission conditioned its acceptance of TSA-NECO-86 as a replacement for TSA-NEP-86 subject to the condition that RIE add language to make explicit that the BITS Surcharge shall be subject to the Protocols for Schedule 21-RIE.¹⁰

On May 1, 2023, to comply with the Commission’s March 31 Order, RIE proposed changes to TSA-NECO-86 to include the same protocols included in NEP Tariff No. 1 (“Compliance Filing”).¹¹ Shortly thereafter, on May 22, 2023, the Division filed a protest (“May

⁶ *Id.*

⁷ *ISO New England Inc.*, Motion for Leave to Intervene and Protest, Docket No. ER23-1003-000 (filed Feb. 21, 2023).

⁸ *Id.* at 2.

⁹ *Id.* at 6.

¹⁰ *ISO New England Inc.*, 182 FERC ¶ 61,221 (2023).

¹¹ *ISO New England Inc.*, Compliance Filing, Docket No. ER23-1003-000 (filed May 1, 2023).

Protest”).¹² The Division stated that it was protesting the Compliance Filing because “[r]ather than adopt the protocols and challenge procedures applicable [to] the Schedule 21-RIE, RIE’s compliance filing . . . adopt[s] the true-up and audit procedures contained in NEP Tariff No. 1.”¹³ On June 27, 2023, the Filing Parties asked the Commission to hold Docket No. ER23-1003-000 in abeyance to provide time to allow RIE time to continue discussions with the Division to resolve the Division’s concerns.¹⁴ RIE has used that time to develop protocols to govern the review and challenge process of the Annual Update of the BITS surcharge that are acceptable to the Filing Parties and the Division. The instant filing seeks to amend the pending TSA-NECO-86 to include those protocols.

Further, during the course of the abeyance, the Filing Parties identified that recent additions to TSA-NEP-86 regarding the Iron Mine Hill Road Substation, related transmission modifications, and the assessment of a DAF Charge associated with these facilities were inadvertently omitted from the version of TSA-NECO-86 submitted on January 31, 2023. As detailed in the January 31 Filing, and noted by the Commission in its March 31 Order,¹⁵ TSA-NECO-86 was intended to replace TSA-NEP-86 in light of the recent acquisition by a wholly owned subsidiary of PPL Corporation of 100 percent of the outstanding shares of RIE from National Grid.¹⁶ In executing TSA-NECO-86, the Filing Parties intended to adopt TSA-NEP-86 in its entirety, with only minor modifications necessary to reflect the change in ownership from NEP to RIE. In preparation of the version of TSA-NECO-86 submitted as part of the January 31 Filing, the Filing Parties used what they believed to be the most recent effective version of TSA-NEP-86. However, due to an inadvertent administrative error, the effective version of TSA-NEP-86 identified in FERC’s eTariff database did not reflect all of the recent changes approved by the Commission.¹⁷ Specifically, that version omitted amendments approved by the Commission in Docket No. ER22-707 reflecting the construction of Iron Mine Hill Road Substation, related transmission modifications, and the assessment of a DAF Charge associated

¹² *ISO New England Inc.*, Protest, Docket No. ER23-1003-000 (filed May 22, 2023).

¹³ *Id.* at 2-3.

¹⁴ *ISO New England Inc.*, Motion for Abeyance, Docket Nos. ER23-100-000 & ER23-1003-000 (filed June 27, 2023).

¹⁵ *ISO New England Inc.*, 182 FERC ¶ 61221 at P 2 (2023).

¹⁶ The Commission approved this transaction on September 23, 2021. *PPL Corporation*, 176 FERC ¶ 61,175 (2021).

¹⁷ The Commission accepted two different sets of changes to TSA-NEP-86 both with a January 1, 2022 effective date. Those changes were submitted in Docket No. ER22-707 (reflecting changes to include the Iron Mine Hill Road substation and related changes) and Docket No. ER22-1918 (reflecting changes to revise the treatment of the BITS Surcharge). On May 20, 2022, a compliance filing was made in Docket No. ER22-1918 to consolidate the amendments to TSA-NEP-86 in Docket Nos. ER22-707 and ER22-927. The Commission accepted this compliance filing, effective January 1, 2022, but this consolidated version of TSA-NEP-86 was not included as the current effective version of TSA-NEP-86 when the Filing Parties drafted and filed TSA-NECO-86 on January 31, 2023.

with these facilities in Docket No. ER22-707.¹⁸ The Filing Parties seek to amend the pending TSA-NECO-86 to include these inadvertently omitted provisions.

II. DESCRIPTION OF AMENDMENTS

a. Information and Challenge Protocols

RIE proposes changes to TSA-NECO-86 to incorporate the information and challenge procedures contained in Attachment F, Appendix C to the ISO-NE OATT. These procedures would replace the section O (Audit Provisions) from Schedule II-B of NEP Tariff No. 1 that RIE proposed to incorporate in the Compliance Filing.¹⁹ Specifically, RIE proposes to replace the section O provisions with section V (Information Exchange Process) and section VI (Challenge Procedures – Informal and Formal) from Attachment F, Appendix C. RIE has proposed minor revisions to the provisions contained in Attachment F, Appendix C that will be incorporated into TSA-NECO-86 to remove references and items not relevant to the BITS Surcharge, to define Interested Parties as including the Division and the Rhode Island Attorney General and to promote clarity.

By amending TSA-NECO-86 to incorporate the information and challenge procedures contained in Attachment F and making the BITS Surcharge subject to those provisions, RIE both addresses the Division's concerns and complies with the Commission's directive that RIE add language to make explicit that the BITS Surcharge shall be subject to the Protocols for Schedule 21-RIE. Moreover, RIE has contacted the Division and is authorized to state that they support the proposed changes.²⁰

b. Iron Mine Hill Road Substation

RIE proposes changes to TSA-NECO-86 to adopt the amendments to TSA-NEP-86, approved by the Commission in Docket No. ER22-707, to reflect the Iron Mine Hill Road Substation, related transmission modifications, and the assessment of a DAF Charge associated with these facilities. The inclusion of these amendments in TSA-NECO-86 only differ from TSA-NEP-86 as necessary to reflect the transition in the provision of local network serviced for the customer from NEP to RIE. The revisions reflect this transition and consist of modifications related to that entity replacement.

¹⁸ See *ISO New England Inc.*, 178 FERC ¶ 61,115 (2022) (approving amendments to TSA-NEP-86 related to Iron Mine Hill Road Substation); *order on reh'g*, 179 FERC ¶ 61,186 (2022) (finding the same).

¹⁹ RIE also proposed in the Compliance Filing to incorporate the section M provisions (Annual True-Up Adjustment) from Schedule II-B of NEP Tariff No. 1. RIE is not proposing to replace the section M provisions in the instant filing. The section M provisions as proposed in the Compliance Filing are unchanged, but for a minor revision to promote clarity. This revision is reflected in the redline of SA-NECO-86. *ISO New England Inc.*, Compliance Filing, Docket No. ER23-1003-000 (filed May 1, 2023).

²⁰ Contemporaneous with this filing, RIE is also proposing the same changes to the BIPCO local service agreement in Docket No. ER23-1000-000. The BIPCO local service agreement is also a service agreement under Schedule 21-RIE.

It is appropriate to accept these amendments as part of the instant filing because the amendments are consistent with the intent of the Filing Parties in executing TSA-NECO-86 and the Commission's March 31 Order approving the agreement based on that intent.²¹ As noted by the Commission in its March 31 Order,²² and detailed in the January 31 Filing, TSA-NECO-86 was submitted to fully capture and replace the then effective version of TSA-NEP-86.²³ It was the intent of the Filing Parties in executing that agreement that TSA-NECO-86 fully capture and replace TSA-NEP-86, but for minor modifications to reflect the transition in ownership. The Filing Parties represented this intent to the Commission in the January 31 Filing and it was with that intent in mind that the Commission conditionally approved TSA-NECO-86 as the replacement of TSA-NEP-86.

III. CONTENTS OF FILING

In accordance with the Commission's eTariff protocols, this filing includes the following:

- i. This transmittal letter;
- ii. A clean version of the revised TSA-NECO-86;
- iii. A redline version of the revised TSA-NECO-86 showing the changes from the version of TSA-NEP-86, accepted in Docket No. ER22-1918;²⁴
- iv. A redline version of the revised TSA-NECO-86 showing the changes from the version of TSA-NECO-86 attached to the Compliance Filing;
- v. A redline version of the revised TSA-NECO-86 showing the changes from the version of TSA-NECO-86 attached to the January 31 Filing; and
- vi. A redline showing the revisions to the provisions in sections V and VI of ISO NE OATT Attachment F, Appendix C that are being incorporated into NECO-TSA-86 for informational purposes.²⁵

²¹ The Commission has previously accepted amendments to correct inadvertent omissions. *See e.g., Guardian Pipeline, L.L.C.*, 122 FERC ¶ 61,276 at 9, 11 (2008) (accepting an amendment to reflect an omission).

²² *ISO New England Inc.*, 182 FERC ¶ 61221 at P 2 (2023).

²³ The version of TSA-NEP-86 effective on January 31, 2023 was filed in Docket No. ER22-1918 on May 20, 2022.

²⁴ As detailed in note 15 above, the version of TSA-NEP-86 accepted by the Commission in Docket No. ER22-1918 was the version of TSA-NEP-86 that should have been marked as effective at the time of the January 31 Filing.

²⁵ The instant filing is not proposing amendments to Attachment F, Appendix C of the ISO-NE OATT. Rather, the proposed redline in this exhibit is being included to show the changes to the provision in Section V and Section VI of ISO-NE OATT Attachment F, Appendix C that are being incorporated into TSA-NECO-86.

IV. EFFECTIVE DATE

The Filing Parties respectfully continue to request an effective date of January 1, 2023 for the reasons set forth in its original application in these proceedings. January 1, 2023 is the date that RIE became a PTO with filing rights under Schedule 21-RIE.

To the extent not already provided above, the following information required by 18 C.F.R. §§ 35.13(b) and (c) is supplied. RIE also states that no expenses or costs in connection with this service agreement have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

Additionally, to the extent necessary, the Filing Parties request waiver of the notice requirements 18 C.F.R. §§ 35.3(a)(1) to allow TSA-NECO-86 to become effective on January 1, 2023. The Filing Parties further request waiver of any additional FERC regulations necessary to permit the filing to become effective as requested.

V. COMMUNICATIONS

The Filing Parties request that any correspondence or communications with respect to this filing be directed to the following:

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2 N. 9th St.
Allentown, PA 18101
(610) 774-4775
smnadel@pplweb.com

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VI. CONCLUSION

For the reasons stated herein, the Filing Parties respectfully requests that the Commission accept TSA-NECO-86 effective as of January 1, 2023 as requested.

Respectfully submitted,

/s/ William M. Keyser

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(202) 429-3000

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*Counsel for The Narragansett Electric Company
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/s/ Monica Gonzalez

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(413) 535-4178

Counsel for ISO New England Inc.

CERTIFICATE OF SERVICE

Pursuant to Rule 2010, 18 C.F.R. § 385.2010, I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. on this 23rd day of October, 2023.

/s/ Michelle L. Castaline
Michelle L. Castaline
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036
mcastaline@steptoe.com

ISO New England Inc.
FERC Electric Tariff No.3

Service Agreement No. TSA-NECO-86

LOCAL SERVICE AGREEMENT

BY AND BETWEEN

THE NARRAGANSETT

ELECTRIC COMPANY D/B/A

RHODE ISLAND ENERGY

AND

THE NARRAGANSETT

ELECTRIC COMPANY

D/B/A RHODE ISLAND

ENERGY

AND

ISO NEW ENGLAND, INC.

LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of January 1, 2023, is entered into, by and between The Narragansett Electric Company d/b/a Rhode Island Energy, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Owner” and “Transmission Customer”) and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware (“ISO”). Under this Agreement the Transmission Owner, Transmission Customer, and the ISO each may be referred to as a “Party” or collectively as the “Parties.”

PART I- General Terms and Conditions

1. Service Provided (Check applicable):

☒ Local Network Service

☐ Local Point-To-Point Service

☐ Firm

☐ Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service.

2. The Transmission Customer is an Eligible Customer under the Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.
3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.
4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.
5. The Transmission Owner agrees to provide, and the Transmission Customer

agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.

6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.
7. Any notice or request made to or by either party regarding this Local Service Agreement shall be made to the representative of the other party as indicated below.

Transmission Customer:

The Narragansett Electric Company d/b/a
Rhode Island Energy

2 N. 9th Street

Allentown, PA 18101

Attn: Interconnection Affairs Manager

Email: interconnections@pplweb.com

Transmission Owner:

The Narragansett Electric Company d/b/a
Rhode Island Energy

2 N. 9th Street

Allentown, PA 18101

Attn: Interconnection Affairs Manager

Email: interconnections@pplweb.com

The ISO:

ISO New England Inc.

Attn: Operations Tariff & Agreement Manager

One Sullivan Road

Holyoke, MA 01040

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”) is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.
9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.
10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement (“TOA”) to coordinate the Transmission Owner's provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II-Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.
2. Service shall commence on the later of: (1) January 1, 2023, or (2) such other date as it is permitted to become effective by the Commission. Service shall terminate on a date mutually agreed to in writing by the parties.
3. Specifications for Local Network Service.
 - a. Term of Service: See 2 above.
 - b. List of Network Resources and Point(s) of Receipt: Not required under ISO-NE Transmission, Markets and Services Tariff.

- c. Description of capacity and energy to be transmitted: 1.801 GW and 7804 GWh.
- d. Description of Local Network Load:
- e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery: See Attachment 1.

Note: Transmission Owner owns the meters at the Point of Delivery.

- f. List of non-Network Resource(s), to the extent known: None.
- g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services: Self-supplied by Transmission Customer or acquired through ISO-NE.
- h. Identity of Designated Agent:

Authority of Designated Agent:

Term of Designated Agent's authority:

Division of responsibilities and obligations between Transmission Customer and Designated Agent:
- i. Interconnection facilities and associated equipment
- j. Project name:
- k. Interconnecting Transmission Customer:
- l. Location:
- m. Transformer nameplate rating
- n. Interconnection Point
- o. Additional facilities and/or associated equipment:
- p. Service under this Local Service Agreement shall be subject to the following charges: As of the execution date of this Local Service Agreement, the Schedule 21-RIE charges include a:
 - Monthly demand charge with PTF and non-PTF components
 - Transformer surcharge
 - Meter surcharge
 - Network load dispatch surcharge
 - Third party support payments

- Direct Assignment Facility charge
- Block Island Transmission System (“BITS”) Surcharge (pursuant to Attachment 2)

q. Additional terms and conditions:

4. Planned work schedule.

Estimated Time

Milestone

Period For Completion

(Activity)

(# of months)

5. Payment schedule and costs.

(Study grade estimate, +____% accuracy, year \$s)

Milestone

Amount (\$)

6. Policy and practices for protection requirements for new or modified load interconnections.

7. Insurance requirements.

PART III – Local Point – To – Point Service N/A

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.

2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.

4. Specifications for Local Point-To-Point Service.

a. Term of Transaction:

b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:


c. Point(s) of Receipt:

d. Delivering Party:

- e. Point(s) of Delivery:
 - f. Receiving Party:
 - g. Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
 - h. Designation of party(ies) subject to reciprocal service obligation:
 - i. Name(s) of any intervening Control Areas providing transmission service:
 - j. Service under this Local Service Agreement shall be subject to the following charges:
 - k. Interconnection facilities and associated equipment:
 - l. Project name:
 - m. Interconnecting Transmission Customer:
 - n. Location:
 - o. Transformer nameplate rating:
 - p. Interconnection point:
 - q. Additional facilities and/or associated equipment:
 - r. Additional terms and conditions:
5. Planned work schedule.
- Estimated Time
- | Milestone
(Activity) | Period For Completion
(# of months) |
|-------------------------|--|
|-------------------------|--|
6. Payment schedule and costs
- (Study grade estimate, +___% accuracy, year \$s)
- | Milestone | Amount (\$) |
|-----------|-------------|
|-----------|-------------|
7. Policy and practices for protection requirements for new or modified load interconnections.
8. Insurance requirements.


IN WITNESS WHEREOF, the Parties have caused this Local Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By:  Authorized Representative 09/28/2023
Name Title Date

Print Name

Transmission Owner:

By:  Authorized Representative 09/28/2023
Name: Title: Date

Print Name

The ISO:

By: Robert Ethier Vice President, System Planning 10/10/23
Name: Title: Date

Print Name

The Narragansett Electric Company d/b/a Rhode Island Energy

Points of Delivery

Main District

Admiral Street Substation
Blackburn Substation
Bristol Substation
Clarkson Street Substation
Davisville Substation
Drumrock Substation
EMI Tiverton Station Service
Farnum Pike Substation
FPL RISEP Station Service
Franklin Square Substation
Iron Mine Hill Road Substation
Johnston Substation
Kent County Substation
Kenyon Substation
Kilvert Substation
Lincoln Ave. Substation
Mink Street Substation
Old Baptist Road Substation
Phillipsdale Substation
Point Street Substation
Pontiac Substation
Putnam Pike
Sockanosset Substation
South Street Station
Tiverton Substation
Tower Hill Substation
Wampanoag Substation
Warren Substation
West Cranston Substation
West Kingston Substation
Wolf Hill Substation
Wood River Substation
Woonsocket Substation

Blackstone Valley

Nasonville B23 Line from W. Farnum
West Farnum tap off 174
Farnum off H 17 Line
Riverside-R9/J16/H17
Pawtucket No. 1 Station X3/P11/T7

Staples JI 6/Q10
Valley R9P11
Washington VI48 from Robinson Ave
Ocean State Power Station Service

Newport

Canonicus St. M13L14
Metering Points (To the extent they differ from a Point of Delivery)

Main District

Pawtucket Power
Johnston Landfill
Valley Hydro
Cranston Landfill

Blackstone Valley

Roosevelt Hydro
Blackstone Hydro, Inc.
Blackstone Hydro Assoc.
Pawtucket #2 Hydro
Woonsocket Hydro

Attachment 2

Block Island Transmission System (BITS) Surcharge

This Attachment 2 applies to charges under the Tariff for Block Island Transmission System (“BITS”) facilities owned or leased by the Transmission Customer, and constructed to interconnect Block Island Power Company (“BIPCO”) and Deepwater Block Island Wind, LLC to the New England Transmission System. In accordance with the Rhode Island General Laws, § 39-26.1-7(f), the annual costs incurred by the Transmission Customer for the BITS facilities shall be recovered annually from its customers and/or from Block Island Power Company (“BIPCO”) through a fully reconciling rate adjustment, subject to any federal approvals that may be required by law.

In addition to the other applicable charges specified for Local Network Service under Schedule 21-RIE of the Tariff, the Transmission Customer shall pay the Block Island Transmission System Surcharge (“BITS Surcharge”) as set forth in this Attachment.

Description of Block Island Transmission System Facilities

For purposes of this Attachment, the BITS facilities, determined in accordance with the Rhode Island General Laws § 39-26.1-7(f), shall include the transmission cable between the Town of New Shoreham and the mainland of the state and related facilities. BITS is comprised of:

- Approximately 20 miles of 34.5kV submarine cable with fiber optic (communication) cable between the Town of New Shoreham and the mainland;
- New 34.5KV substation on Block Island, including two switched reactors for voltage control;
- New 34.5KV switching in Narragansett, RI, including two switched reactors for voltage control;
- Approximately one mile of combined overhead and underground infrastructure on Block Island; and
- Approximately 4 miles of underground infrastructure on the mainland in the Town of Narragansett.

Calculation of BITS Surcharge

The monthly BITS Surcharge shall equal $1/12^{\text{th}}$ of the Facilities Charge multiplied by the Transmission Customer’s Share Percentage, where:

1. The Facilities Charge shall equal the sum of the:
 - a. The BITS Gross Plant Investment, multiplied by the Annual Distribution Facilities Carrying Charge from Schedule 21-RIE, excluding (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, and (G) Primary Related Administrative and General Expense;
 - b. Actual BITS specific Municipal Tax Expense;
 - c. Actual BITS specific Operation and Maintenance Expense; and

- d. 2.5% of Total Primary Related Administrative and General Expense.
2. The Facilities Charge will be updated annually, on or about the June billing month of each year. The Facilities Charge will be subject to true-up on or about June in the following year for actual costs incurred. The true-up amount will be included in the monthly BITS Surcharge invoice following the calculation of the true-up.
 3. The Transmission Customer Share Percentage shall be 1 minus the BIPCO Share Percentage. The BIPCO Share Percentage shall be BIPCO's Annual Peak Load Ratio Share from the prior calendar year as long as BIPCO's Annual Peak Load Ratio Share falls within a range specified by the BIPCO Energy Ratio Collar. If the Annual Peak Load Ratio Share so calculated is less than the Minimum Energy Ratio Share, the BIPCO Share Percentage will be set at the Minimum Energy Ratio Share. If the Annual Peak Load Ratio Share so calculated is greater than the Maximum Energy Ratio Share, the BIPCO Share Percentage will be set at the Maximum Energy Ratio Share. The Transmission Customer Load Ratio Share Percentage shall be reset annually during the same month that the Facilities Charge is updated.
 4. BIPCO's Annual Peak Load Ratio Share shall be determined as a percentage according to the following formula:

$$\text{BIPCO Annual Peak Load} / (\text{BIPCO Annual Peak Load} + \text{Transmission Customer Annual Peak Load})$$

5. BIPCO's Energy Ratio Collar shall be the range between the Minimum Energy Ratio Share and the Maximum Energy Ratio Share, each as determined as a percentage according to the following formula:

$$\text{Minimum Energy Ratio Share} = 1.2 * \text{BIPCO Annual kWh} / (1.2 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

$$\text{Maximum Energy Ratio Share} = 1.8 * \text{BIPCO Annual kWh} / (1.8 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

The following illustrates the calculation of Transmission Customer's Share Percentage:
Illustrative Example:

2010 Annual Peak Load

- | | | |
|-----|---|---------------------|
| (1) | BIPCo Annual Peak Load = | 3,604 kW |
| (2) | RIE Annual Peak Load = | <u>1,843,989 kW</u> |
| (3) | Total Annual Peak Load = | 1,847,489 kW |
| (4) | BIPCo Annual Peak Load Ratio Share ((1)/(3)) = 0.19508% | |

2010 Energy Ratio Collar

(1)	1.2* BIPCO Annual Energy =	13,369,466 kWh
(2)	RIE Annual Energy =	<u>7,751,887,000 kWh</u>
(3)	Total Annual Energy	7,765,256,466 kWh
(4)	Minimum Energy Ratio Share ((1)/(3)) =	0.17217%
(1)	1.8* BIPCO Annual Energy =	20,054,199 kWh
(2)	RIE Annual Energy =	<u>7,751,887,000 kWh</u>
(3)	Total Annual Energy	7,771,941,199 kWh
(4)	Maximum Energy Ratio Share ((1)/(3)) =	0.25803%

Since the Annual Peak Load Ratio falls within the range identified by the Energy Ratio Collar, Transmission Customer's Share Percentage in this example would be 0.19508%.

Transmission Customer's Share Percentage = $1 - 0.19508\% = 99.80492\%$.

Annual True-Up Adjustment

1. RIE shall submit an annual informational filing ("Initial Filing") with the Commission with copies to the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers and the Rhode Island Attorney General reconciling monthly billings to Transmission Customer under this formula to actual data (the "Annual True-up"). The Annual True-up will be completed no later than June 30 for the calendar year which the Annual True-up relates (the "Service Year"). The Annual True-up will reconcile any differences between a recalculation of the costs for the Service Year based on actual data, including data reported in Transmission Customer's Quarterly FERC Form 1s as compared to the monthly actual costs invoiced. The recalculation of the costs for the Service Year will be done using the following information:
 - a. return, associated income taxes and other expenses based on the gross plant value of the project, multiplied by the most recently available carrying charge,
 - b. actual operations and maintenance expenses incurred for the project,
 - c. actual property tax expenses incurred for the project,
 - d. fixed administrative and general expenses based on the most recently available total Transmission Owner administrative & general expense.
2. The difference, if any, between the monthly actual costs invoiced to Transmission Customer during the Service Year and the annual revenue requirement based on actual data shall be reflected as an adjustment to the monthly revenue requirement calculation for the month following the month in which the Annual True-Up report is issued (the "Annual True-up Adjustment").
3. If the recalculation of costs for the Service Year using actual data exceeds the monthly billed amounts for the Service Year, the Annual True-up Adjustment will be an additional credit to Transmission Customer. If the monthly billed amounts for the Service Year

exceed the recalculation of actual costs, the Annual True-up Adjustment will be a reduction to the credit to Transmission Customer. The Annual True-up Adjustment will be adjusted for interest, whether positive or negative, accrued monthly from December 31 of the Service Year to the end of the calendar month in which the Annual True-up Adjustment will be applied to a monthly billing. Interest shall accrue pursuant to the rate specified in the Commission's regulations 18 C.F.R. §35.19a.

4. Any changes to the data inputs, including but not limited to revisions to Transmission Customer's FERC Form No. 1, or as the result of any Commission proceeding to consider the Annual True-up, or as a result of the procedures set forth herein not otherwise captured as part of ongoing Billing Adjustments, shall be incorporated into the formula rate and the charges produced by the BITS Surcharge (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual True-up for the next effective rate period.
5. In any proceeding before the Commission concerning the Annual True-up, the Transmission Owner shall bear the burden, consistent with Section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the formula rate. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence challenges.

Information Exchange Process and Challenge Procedures

A. Information Exchange Process

1. Interested Parties may participate in the Information Exchange Period. Interested Parties shall mean the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, and the Rhode Island Attorney General. The Information Exchange Period shall extend from June 30 through September 30 during which the Interested Parties can serve reasonable information and discover requests on RIE. Information and document requests shall be limited to what may be reasonably necessary to determine:
 - a. The extent or effect of an Accounting Change;
 - b. Whether the Annual True-up fails to include data properly recorded in accordance with the provisions of this Agreement;
 - c. The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - d. The recording and accounting of costs pursuant to Commission accounting practices and procedures, or accounting practices applicable to municipal entities;

- e. The accuracy of data included in the Annual True-up and the calculations and charges made therein;
- f. The consistency with the BITS Surcharge of data included in the Annual True-up;
- g. The prudence of actual costs and expenditures;
- h. The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form.

Interested Parties may also submit reasonable discovery requests to RIE for any other information that may have an effect on the calculation of the charge pursuant to the BITS surcharge.

The information and document requests shall not otherwise be directed to ascertaining whether the BITS surcharge formula is just and reasonable.

- 2. RIE shall make a good faith effort to respond to any information requests pertaining to the Annual True-up in accordance within 15 days after receipt of the request but no later than October 30. Information requests received after 4 p.m. Eastern Prevailing Time shall be considered received the next business day.
- 3. To the extent RIE and applicable Interested Parties are unable to resolve disputes related to information requests, RIE or applicable Interested Parties may avail themselves of the on-call settlement judge or the Commission's Office of Administrative Law Judges and Dispute Resolution to resolve such matters.

B. Challenge Procedures – Informal and Formal

- 1. Informal Challenges must be communicated to RIE in writing, which may be made electronically from June 30 through November 30 ("Review Period"). During the Review Period, Interested Parties may review the Accounting Changes (if any), inputs, supporting explanations, allocations, calculations or other information relating to the current Annual True-up and notify RIE of any specific Informal Challenges. Failure to pursue an issue through an Informal Challenge shall not bar pursuit of that issue as part of a Formal Challenge with respect to the same Annual True-up as long as the Interested Party has submitted an Informal Challenge on any issue with respect to that Annual True-up. Failure to submit a Formal Challenge regarding any particular issue as to a given Annual True-up shall bar pursuit of such issue with respect to that Annual True-up, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-up.

- a. The Interested Party submitting an Informal Challenge to RIE must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents, as applicable, to support its challenge. RIE shall make its best efforts to respond to any Informal Challenges within 20 days but no later than December 30. RIE shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If RIE disagrees with such challenge, RIE will provide the Interested Party(ies) with a written explanation supporting the inputs, explanations, allocations, calculations, or other information and why they disagree with the Informal Challenge.
2. Interested Parties shall file Formal Challenges with the Commission on or before February 15. Formal Challenges shall only be initiated after the Informal Challenge process has been pursued and the results not found satisfactory to one or more of the Interested Parties making the Formal Challenge.
 - a. A Formal Challenge shall:
 - i. Clearly identify the action or inaction in the current Annual True-up which is alleged to violate the BITS Surcharge or the provisions of this Agreement;
 - ii. Explain how the action or inaction violates the BITS Surcharge or the provisions of this Agreement;
 - iii. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, which will include the following items, where applicable:
 - (a) The extent or effect of an Accounting Change;
 - (b) Whether the Annual True-up fails to include data properly recorded in accordance with the provisions in this Agreement;
 - (c) The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - (d) The recording and accounting of costs pursuant to Commission accounting practices and procedures or accounting practices applicable to municipal entities;

- (e) The accuracy of data included in the Annual True-up and the calculations and charges made therein;
 - (f) The consistency with the BITS Surcharge of data included in the Annual True-up.
 - (g) The prudence of actual costs and expenditures;
 - (h) The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form; or
 - (i) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the BITS Surcharge.
 - iv. Make a good faith effort to quantify the financial impact of the items comprising the Formal Challenge;
 - v. State whether the issues presented in the Formal Challenge are pending in an existing Commission proceeding or in any other proceeding of which the party is aware, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
 - vi. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
 - vii. Include all documents that support the facts in the Formal Challenge in possession of or otherwise obtainable by the filing party, including but not limited to affidavits; and
 - viii. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, why not.
- b. Any Interested Party filing a Formal Challenge with the Commission must serve a copy of the Formal Challenge on RIE by electronic service on the date of such filing. The party filing the Formal Challenge shall serve the individuals listed as the contact person on RIE's Informational Filing.
 - c. RIE must respond to the Formal Challenge by the schedule established by the Commission.
 - d. In response to a Formal Challenge, RIE shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the BITS Surcharge calculation consistent with the provisions of

this Agreement and that it followed the applicable requirements and procedures in these protocols in that year's Annual True-up. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence issues.

3. Nothing herein shall be deemed to limit in any way the right of RIE to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the BITS Surcharge or any of its inputs, or to replace the BITS Surcharge with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the Federal Power Act and the regulations thereunder. Failure to file an Informal Challenge or a Formal Challenge shall not bar anyone from making a Federal Power Act section 206 filing.
4. No Interested Party shall seek to modify the BITS Surcharge under the Informal and Formal Challenge procedures ("Challenge Procedures") set forth in the provisions of this Agreement, and the Annual True-up shall not be subject to challenge by anyone for the purpose of modifying the BITS Surcharge. Any modifications to the BITS Surcharge will require, as applicable, a Federal Power Act section 205 or section 206 filing.
5. Any challenges by an Interested Party to the implementation of the BITS Surcharge must be made through the Challenge Procedures described in this Agreement or in a separate complaint proceeding.

Attachment 3

Iron Mine Hill Road Substation Direct Assignment Facilities

This Attachment 3 applies to charges under the Tariff for the following Direct Assignment Facilities associated with the Iron Mine Hill Road Substation constructed and operated for the benefit of Transmission Customer.

Consistent with the approvals received for Proposed Plan Applications NEP-19-G21 through NEP-19-G29 and NEP-19-T08, and in order for Transmission Customer to continue to reliability provide distribution service to its load while also reliably interconnecting the following distributed energy projects (RI-26600221; RI-26795176; RI-26600263, RI-26630077), Transmission Owner will construct for Transmission Customer a new 115-34.5kV substation (Iron Mine Hill Road Substation) adjacent to Transmission Owner's transmission right of way near structure 11 on the H17 line.

The equipment includes:

- 115kV Disconnect Switches
- 115kV Circuit Breakers
- CCVT Instrument Transformers
- Transmission Structures, Communication Equipment, Protect Equipment, Foundations, Civil Work, and other required equipment.

The work scope includes:

- Extending the H17 line around structure 11 to accommodate a new substation and new three-ring bus including other required equipment.
- Installing DTT from Iron Mine Hill Road Substation to West Farnum Substation-Remote terminal upgrade, new line protection, OPG splicing associated with the re-wiring, testing and communication.
- Installing DTT from Iron Mine Hill Road Substation to Riverside Substation-Remote terminal upgrade, new line protection, OPG splicing associated with the re-wiring, testing and communication.

The estimated in-service date of the Iron Mine Hill Road Substation is 12/31/21.

DAF Charges for the Direct Assignment Facilities described in this Attachment are calculated in accordance with Attachment DAF to Schedule 21-RIE by multiplying actual total Gross Plant Investment by the Annual Transmission Carrying Charge rate that is in effect at the time (adjusted annually). Transmission Customer will provide a Contribution in Aid of Construction, and per Attachment DAF the Annual Transmission Carrying Charge rate shall be calculated consistent with this option. The Annual Transmission Carrying Charge rate shown below is provided for illustrative purposes only. The estimated calculation for the DAF Charge is detailed below and will be recalculated based on the actual reconciled costs.

Estimated Total Gross Plant Investment: \$9,878,803

Estimated (NEP) Carrying Charge: 5.21%

Estimated Annual DAF Charge: \$514,738

Estimated Monthly billing: \$42,895

~~ISO New England Inc. Third Revised Service Agreement No. TSA NEP 86~~

FERC Electric Tariff No.3

LOCAL SERVICE AGREEMENT

BY AND BETWEEN

THE NARRAGANSETT

ELECTRIC COMPANY D/B/A

RHODE ISLAND ENERGY

AND

~~NEW ENGLAND POWER COMPANY;~~

THE NARRAGANSETT

ELECTRIC COMPANY

D/B/A RHODE ISLAND

ENERGY

AND

ISO NEW ENGLAND, INC.

LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of January 1, ~~2022~~2023, is entered into, by and between ~~New England Power Company d/b/a National Grid, a corporation organized and existing under the laws of the Commonwealth of Massachusetts (“Transmission Owner”)~~, The Narragansett Electric Company d/b/a ~~National Grid~~ Rhode Island Energy, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Owner” and “Transmission Customer”) and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware (“ISO”). Under this Agreement the Transmission Owner, Transmission Customer, and the ISO each may be referred to as a “Party” or collectively as the “Parties.”

PART I - General Terms and Conditions

1. Service Provided (Check applicable):

X Local Network Service

 Local Point-To-Point Service

 Firm

 Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service.

2. The Transmission Customer is an Eligible Customer under the Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.
3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.
4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.

5. The Transmission Owner agrees to provide, and the Transmission Customer agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.
6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.
7. Any notice or request made to or by either party regarding this Local Service Agreement shall be made to the representative of the other party as indicated below.

Transmission Customer:

The Narragansett Electric Company d/b/a
Rhode Island Energy

Attn: President

280 Melrose 2 N. 9th Street

Providence, RI 02907

Allentown, PA 18101

Attn: Interconnection Affairs Manager

Email: interconnections@pplweb.com

Transmission Owner:

~~New England Power~~ The Narragansett Electric
Company d/b/a Rhode Island Energy

~~Attention: Director, Commercial Services~~

~~40 Sylvan Road~~

~~Waltham, MA 02451~~

2 N. 9th Street

Allentown, PA 18101

Attn: Interconnection Affairs Manager

Email: interconnections@pplweb.com

The ISO:

ISO New England Inc.

Attn: Operations Tariff & Agreement Manager–
~~Transmission Services~~

One Sullivan Road

Holyoke, MA 01040

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”) is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.
9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.
10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement (“TOA”) to coordinate the Transmission Owner's provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II-Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.
2. Service shall commence on the later of: (1) ~~the date that termination becomes effective for the Network Integration Transmission Service (“NITS”) Agreement, dated as of February~~January 1, 1997, by and between New England Power Company and The Narragansett Electric Company~~2023~~, or (2) ~~the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on or after the date that Contract Termination Charges, defined and set forth in the Stipulation and Agreement and the Amendment a date mutually agreed to the Service Agreement between the Transmission Customer and Transmission Owner under the Transmission Owner’s FERC Electric Tariff, Original Volume 1 filed on May 30, 1997 in Docket No. ER97-680-000 and conditionally approved by the Commission on November 26, 1997 (the “Restructuring Agreements”), are fully recovered from the Transmission Customer. Following that date, service under this Local Service Agreement shall continue until modified or terminated upon the written consent of the in writing by the parties or upon five years advance written notice by any party to the others.~~
3. Specifications for Local Network Service.

- a. Term of Service: See 2 above.
- b. List of Network Resources and Point(s) of Receipt: Not required under ISO-NE Transmission, Markets and Services Tariff.
- c. Description of capacity and energy to be transmitted: 1.801 GW and 7804 GWh.
- d. Description of Local Network Load:
- e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery: See Attachment 1-.

Note: Transmission Owner owns the meters at the Point of Delivery.

- f. List of non-Network Resource(s), to the extent known: None.
- g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services: ~~The Self-supplied by Transmission Customer has executed a Market Participant Service Agreement or a Transmission Service Agreement with acquired through ISO-New England Inc. NE.~~
- h. Identity of Designated Agent:

Authority of Designated Agent:

-Term of Designated Agent's authority:

Division of responsibilities and obligations between Transmission Customer and Designated Agent:

- i. Interconnection facilities and associated equipment
- j. Project name:
- k. Interconnecting Transmission Customer:
- l. Location:
- m. Transformer nameplate rating
- n. Interconnection Point
- o. Additional facilities and/or associated equipment:
- p. Service under this Local Service Agreement shall be subject to the following charges: As of the execution date of this Local Service Agreement, the Schedule 21-~~NEPRI~~E charges include a:
 - Monthly demand charge with PTF and non-PTF components
 - Transformer surcharge
 - Meter surcharge
 - Network load dispatch surcharge
 - Third party support payments
 - Direct Assignment Facility charge
 - Block Island Transmission System ("BITS") Surcharge (pursuant to Attachment 2)
- q. Additional terms and conditions:

~~This Local Service Agreement amends and replaces the Network Integration Transmission Service ("NITS") Agreement, dated as of February 1, 1997 and entered into by and between New England Power Company and The Narragansett Electric Company for the purpose of implementing wholesale competition or retail access for the Transmission Customer's retail customers pursuant to the Rhode Island Restructuring Act of 1996 ("URA"). Pursuant to the NITS Agreement, the following terms and conditions will remain in effect under the terms of this Local Service Agreement:~~

- ~~(i) In the event that Transmission Customer is denied recovery in its rates for local distribution service of access charges sufficient to collect the full amount of the~~

~~Contract Termination Charges billed to Transmission Customer, its successors or assigns, by Transmission Owner, its successors or assigns, Transmission Owner, its successors or assigns, providing service over the transmission facilities covered by this Local Service Agreement shall collect the unrecovered balance of the Contract Termination Charges as a surcharge under this Local Service Agreement to the Transmission Customer or to any consumer taking delivery of electric energy over the transmission or distribution facilities of the Transmission Customer.~~

- ~~(ii) — The obligations under this Local Service Agreement may be assigned only with the express written consent of the other parties, which consent shall not be unreasonably withheld, provided, however, that the Transmission Owner shall not be obligated to consent to any assignment that adversely affects the ability of the Transmission Owner to recover from the Transmission Customer the payments required to be made under the Tariff, and this Local Service Agreement, including any Contract Termination Charges that may be billed to Transmission Customer pursuant to the paragraph above.~~
- ~~(iii) — The Transmission Owner has agreed to terminate those requirements of its FERC Electric Tariff, Original Volume No. 1 (“Tariff No. 1”) that obligate the Transmission Customer to buy all of its electricity requirements under Tariff No. 1 and Transmission Customer has agreed to pay Contract Termination Charges pursuant to the Restructuring Agreements.~~
- ~~(iv) — In no event shall the Transmission Owner bypass the Transmission Customer’s distribution facilities and interconnect directly with a retail customer.~~
- ~~(v) — To the extent ISO New England, Inc. or NEPOOL does not directly bill the Transmission Customer, any charges by ISO New England, Inc. or NEPOOL specifically incurred by the Transmission Owner, as a result of services provided to the Transmission Customer, will be directly assigned to the Transmission Customer as provided for under Section 24.6 of Schedule 21-NEP. The Transmission Owner will determine the direct charges to the Transmission Customer on the basis of the Transmission Customer’s contribution to the incurrence of those charges using the same allocation methodology used by ISO New England, Inc. or NEPOOL to allocate those costs to the Transmission Owner.~~

4. Planned work schedule.

Estimated Time

Milestone

Period For Completion

(Activity)

(# of months)

5. Payment schedule and costs.

(Study grade estimate, +____% accuracy, year \$s)

Milestone

Amount (\$)

6. Policy and practices for protection requirements for new or modified load interconnections.

7. Insurance requirements.

PART III – Local Point – To – Point Service N/A

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.
2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.
3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.
4. Specifications for Local Point-To-Point Service.
 - a. Term of Transaction:
 - b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:
 - c. Point(s) of Receipt:
 - d. Delivering Party:
 - e. Point(s) of Delivery:
 - f. Receiving Party:
 - g. Maximum amount of capacity and energy to be transmitted (Reserved

Capacity):

- h. Designation of party(ies) subject to reciprocal service obligation:
 - i. Name(s) of any intervening Control Areas providing transmission service:
 - j. Service under this Local Service Agreement shall be subject to the following charges:
 - k. Interconnection facilities and associated equipment:
 - l. Project name:
 - m. Interconnecting Transmission Customer:
 - n. Location:
 - o. Transformer nameplate rating:
 - p. Interconnection point:
 - q. Additional facilities and/or associated equipment:
 - r. Additional terms and conditions:
5. Planned work schedule.
- Estimated Time
- | Milestone | Period For Completion |
|------------|-----------------------|
| (Activity) | (# of months) |
6. Payment schedule and costs
- (Study grade estimate, +___% accuracy, year \$s)
- | Milestone | Amount (\$) |
|-----------|-------------|
|-----------|-------------|
7. Policy and practices for protection requirements for new or modified load interconnections.
8. Insurance requirements.

IN WITNESS WHEREOF, the Parties have caused this Local Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____ ~~Authorized Representative~~
Name: ~~John Isberg~~ _____ Title: ~~Vice~~ _____ President _____

Name Title Date

Print Name

Transmission Owner:

By: _____
Authorized Representative

Name: ~~Kevin Reardon~~ _____ Title: ~~Director, Commercial Services~~ _____
_____ Date _____

Print Name

The ISO:

By: _____ ~~Authorized Representative~~

Name: ~~Robert Ethier~~ Title: ~~Vice President, System~~
~~Planning~~ Date

Print Name

The Narragansett Electric Company d/b/a Rhode Island Energy

Points of Delivery

Main District

Admiral Street Substation
Blackburn Substation
Bristol Substation
Clarkson Street Substation
Davisville Substation
Drumrock Substation
EMI Tiverton Station Service
Farnum Pike Substation
FPL RISEP Station Service
Franklin Square Substation
Iron Mine Hill Road Substation
Johnston Substation
Kent County Substation
Kenyon Substation
Kilvert Substation
Lincoln Ave. Substation
Mink Street Substation
Old Baptist Road Substation
Phillipsdale Substation
Point Street Substation
Pontiac Substation
Putnam Pike
Sockanosset Substation
South Street Station
Tiverton Substation
Tower Hill Substation
Wampanoag Substation
Warren Substation
West Cranston Substation
West Kingston Substation
Wolf Hill Substation
Wood River Substation
Woonsocket Substation

Blackstone Valley

Nasonville B23 Line from W. Farnum
West Farnum tap off 174
Farnum off H 17 Line
Riverside-R9/J16/H17

Pawtucket No. 1 Station X3/P11/T7
Staples JI 6/Q10
Valley R9P11
Washington VI48 from Robinson Ave
Ocean State Power Station Service

Newport

Canonicus St. M13L14
Metering Points (To the extent they differ from a Point of Delivery)

Main District

Pawtucket Power
Johnston Landfill
Valley Hydro
Cranston Landfill

Blackstone Valley

Roosevelt Hydro
Blackstone Hydro, Inc.
Blackstone Hydro Assoc.
Pawtucket #2 Hydro
Woonsocket Hydro

Attachment 2

Block Island Transmission System (BITS) Surcharge

This Attachment 2 applies to charges under the Tariff for Block Island Transmission System (“BITS”) facilities owned or leased by the Transmission Customer, and constructed to interconnect Block

Island Power Company (“BIPCO”) and Deepwater Block Island Wind, LLC to the New England Transmission System. In accordance with the Rhode Island General Laws, § 39-26.1-7(f), the annual costs incurred by the Transmission Customer for the BITS facilities shall be recovered annually from its customers and/or from Block Island Power Company (“BIPCO”) through a fully reconciling rate adjustment, subject to any federal approvals that may be required by law.

In addition to the other applicable charges specified for Local Network Service under Schedule 21-~~NEPRIE~~ of the Tariff, the Transmission Customer shall pay the Block Island Transmission System Surcharge (“BITS Surcharge”) as set forth in this Attachment.

Description of Block Island Transmission System Facilities

For purposes of this Attachment, the BITS facilities, determined in accordance with the Rhode Island General Laws § 39-26.1-7(f), shall include the transmission cable between the Town of New Shoreham and the mainland of the state and related facilities. BITS is comprised of:

- Approximately 20 miles of 34.5kV submarine cable with fiber optic (communication) cable between the Town of New Shoreham and the mainland;
- New 34.5KVsubstation on Block Island, including two switched reactors for voltage control;
- New 34.5KV switching in Narragansett, RI, including two switched reactors for voltage control;
- Approximately one mile of combined overhead and underground infrastructure on Block Island; and
- Approximately 4 miles of underground infrastructure on the mainland in the Town of Narragansett.

Calculation of BITS Surcharge

_____The monthly BITS Surcharge shall equal $1/12^{\text{th}}$ of the ~~product of the IFA-Facilities CreditCharge~~ multiplied by the Transmission Customer’s Share Percentage, where:

1. The ~~IFA-Facilities CreditCharge~~ shall equal the sum of the:
 - a. ~~Integrated facilities credit for Customer-owned distribution facilities received~~The BITS Gross Plant Investment, multiplied by the

~~Transmission Customer for the BITS facilities pursuant to Annual Distribution Facilities Carrying Charge from Schedule III-B of New England Power Company's FERC Electric Tariff No. 421-RIE~~, excluding (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, and (G)

- a. Primary Related Administrative and General Expense;
 - b. Actual BITS specific Municipal Tax Expense;
 - c. Actual BITS specific Operation and Maintenance Expense; and
 - d. 2.5% of Total Primary Related Administrative and General Expense.
2. The ~~IFA-Facilities Credit amount~~Charge will be updated annually ~~in accordance with the provisions of Tariff No. 4~~, on or about the June billing month of each year. The ~~IFA-Facilities Credit~~Charge will be subject to true-up on or about June in the following year for actual costs incurred. The true-up amount will be included in the monthly BITS Surcharge invoice following the calculation of the true-up.
3. The Transmission Customer Share Percentage shall be 1 minus the BIPCO Share Percentage. The BIPCO Share Percentage shall be BIPCO's Annual Peak Load Ratio Share from the prior calendar year as long as BIPCO's Annual Peak Load Ratio Share falls within a range specified by the BIPCO Energy Ratio Collar. If the Annual Peak Load Ratio Share so calculated is less than the Minimum Energy Ratio Share, the BIPCO Share Percentage will be set at the Minimum Energy Ratio Share. If the Annual Peak Load Ratio Share so calculated is greater than the Maximum Energy Ratio Share, the BIPCO Share Percentage will be set at the Maximum Energy Ratio Share. The Transmission Customer Load Ratio Share Percentage shall be reset annually during the same month that the ~~IFA-Facilities Credit~~Charge is updated.
4. BIPCO's Annual Peak Load Ratio Share shall be determined as a percentage according to the following formula:

$$\text{BIPCO Annual Peak Load} / (\text{BIPCO Annual Peak Load} + \text{Transmission Customer Annual Peak Load})$$

5. BIPCO's Energy Ratio Collar shall be the range between the Minimum Energy Ratio Share and the Maximum Energy Ratio Share, each as determined as a percentage according to the following formula:

$$\text{Minimum Energy Ratio Share} = 1.2 * \text{BIPCO Annual kWh} / (1.2 * \text{BIPCO Annual kWh} + \text{TNECORIE Annual kWh})$$

Maximum Energy Ratio Share

$$1.8 * \text{BIPCO Annual kWh} / (1.8 * \text{BIPCO Annual kWh} + \text{TNECORIE Annual kWh})$$

The following illustrates the calculation of Transmission Customer's Share Percentage:

Illustrative Example:

2010 Annual Peak Load

- | | | |
|-----|---|---------------------|
| (1) | BIPCo Annual Peak Load = | 3,604 kW |
| (2) | TNECO <u>RIE</u> Annual Peak Load = | <u>1,843,989 kW</u> |
| (3) | Total Annual Peak Load = | 1,847,489 kW |
| (4) | BIPCo Annual Peak Load Ratio Share ((1)/(3)) = 0.19508% | |

2010 Energy Ratio Collar

- | | | |
|-----|---|--------------------------|
| (1) | 1.2* BIPCO Annual Energy = | 13,369,466 kWh |
| (2) | TNECO <u>RIE</u> Annual Energy = | <u>7,751,887,000 kWh</u> |
| (3) | Total Annual Energy | 7,765,256,466 kWh |
| (4) | Minimum Energy Ratio Share ((1)/(3)) = 0.17217% | |
| (1) | 1.8* BIPCO Annual Energy = | 20,054,199 kWh |
| (2) | TNECO <u>RIE</u> Annual Energy = | <u>7,751,887,000 kWh</u> |
| (3) | Total Annual Energy | 7,771,941,199 kWh |
| (4) | Maximum Energy Ratio Share ((1)/(3)) = 0.25803% | |

Since the Annual Peak Load Ratio falls within the range identified by the Energy Ratio Collar, ~~the BIPCO~~ Transmission Customer's Share Percentage in this example would be 0.19508%.

Transmission Customer's Share Percentage = 1 - 0.19508% = 99.80492%.

Annual True-Up Adjustment

1. RIE shall submit an annual informational filing ("Initial Filing") with the Commission with copies to the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers and the Rhode Island Attorney General reconciling monthly billings to Transmission Customer under this formula to actual data (the "Annual True-up"). The Annual True-up will be completed no later than June 30 for the calendar year which the Annual True-up relates (the "Service Year"). The Annual True-up will reconcile any differences between a recalculation of the costs for the Service Year based on actual data, including data reported in Transmission Customer's Quarterly FERC Form 1s as compared to the monthly actual costs invoiced. The recalculation of the costs for the Service Year will be done using the following information:
 - a. return, associated income taxes and other expenses based on the gross plant value of the project, multiplied by the most recently available carrying charge,
 - b. actual operations and maintenance expenses incurred for the project,
 - c. actual property tax expenses incurred for the project,
 - d. fixed administrative and general expenses based on the most recently available

total Transmission Owner administrative & general expense.

2. The difference, if any, between the monthly actual costs invoiced to Transmission Customer during the Service Year and the annual revenue requirement based on actual data shall be reflected as an adjustment to the monthly revenue requirement calculation for the month following the month in which the Annual True-Up report is issued (the "Annual True-up Adjustment").
3. If the recalculation of costs for the Service Year using actual data exceeds the monthly billed amounts for the Service Year, the Annual True-up Adjustment will be an additional credit to Transmission Customer. If the monthly billed amounts for the Service Year exceed the recalculation of actual costs, the Annual True-up Adjustment will be a reduction to the credit to Transmission Customer. The Annual True-up Adjustment will be adjusted for interest, whether positive or negative, accrued monthly from December 31 of the Service Year to the end of the calendar month in which the Annual True-up Adjustment will be applied to a monthly billing. Interest shall accrue pursuant to the rate specified in the Commission's regulations 18 C.F.R §35.19a.
4. Any changes to the data inputs, including but not limited to revisions to Transmission Customer's FERC Form No. 1, or as the result of any Commission proceeding to consider the Annual True-up, or as a result of the procedures set forth herein not otherwise captured as part of ongoing Billing Adjustments, shall be incorporated into the formula rate and the charges produced by the BITS Surcharge (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual True-up for the next effective rate period.
5. any proceeding before the Commission concerning the Annual True-up, the Transmission Owner shall bear the burden, consistent with Section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the formula rate. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence challenges.

Information Exchange Process and Challenge Procedures

A. Information Exchange Process

1. Interested Parties may participate in the Information Exchange Period. Interested Parties shall mean the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, and the Rhode Island Attorney General. The Information Exchange Period shall extend from June 30 through September 30 during which the Interested Parties can serve reasonable information and discover requests on RIE. Information and document requests shall be limited to what may be reasonably necessary to determine:
 - a. The extent or effect of an Accounting Change;

- b. Whether the Annual True-up fails to include data properly recorded in accordance with the provisions of this Agreement;
- c. The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
- d. The recording and accounting of costs pursuant to Commission accounting practices and procedures, or accounting practices applicable to municipal entities;
- e. The accuracy of data included in the Annual True-up and the calculations and charges made therein;
- f. The consistency with the BITS Surcharge of data included in the Annual True-up;
- g. The prudence of actual costs and expenditures;
- h. The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form.

Interested Parties may also submit reasonable discovery requests to RIE for any other information that may have an effect on the calculation of the charge pursuant to the BITS surcharge.

The information and document requests shall not otherwise be directed to ascertaining whether the BITS surcharge formula is just and reasonable.

2. RIE shall make a good faith effort to respond to any information requests pertaining to the Annual True-up in accordance within 15 days after receipt of the request but no later than October 30. Information requests received after 4 p.m. Eastern Prevailing Time shall be considered received the next business day.
3. To the extent RIE and applicable Interested Parties are unable to resolve disputes related to information requests, RIE or applicable Interested Parties may avail themselves of the on-call settlement judge or the Commission's Office of Administrative Law Judges and Dispute Resolution to resolve such matters.

B. Challenge Procedures – Informal and Formal

1. Informal Challenges must be communicated to RIE in writing, which may be made electronically from June 30 through November 30 (“Review Period”). During the Review Period, Interested Parties may review the Accounting Changes (if any), inputs, supporting explanations, allocations, calculations or other information relating to the current Annual True-up and notify RIE of any specific Informal Challenges. Failure to pursue an issue through an Informal Challenge shall not bar pursuit of that issue as part of a Formal Challenge with respect to the same Annual True-up as long as the Interested Party has submitted an Informal Challenge on any issue with respect to that Annual True-up. Failure to submit a Formal Challenge regarding any particular issue as to a given Annual True-up shall bar pursuit of such issue with respect to that Annual True-up, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-up.

 - a. The Interested Party submitting an Informal Challenge to RIE must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents, as applicable, to support its challenge. RIE shall make its best efforts to respond to any Informal Challenges within 20 days but no later than December 30. RIE shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If RIE disagrees with such challenge, RIE will provide the Interested Party(ies) with a written explanation supporting the inputs, explanations, allocations, calculations, or other information and why they disagree with the Informal Challenge.
2. Interested Parties shall file Formal Challenges with the Commission on or before February 15. Formal Challenges shall only be initiated after the Informal Challenge process has been pursued and the results not found satisfactory to one or more of the Interested Parties making the Formal Challenge.

 - a. A Formal Challenge shall:

 - i. Clearly identify the action or inaction in the current Annual True-up which is alleged to violate the BITS Surcharge or the provisions of this Agreement;
 - ii. Explain how the action or inaction violates the BITS Surcharge or the provisions of this Agreement;

- iii. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, which will include the following items, where applicable:
 - (a) The extent or effect of an Accounting Change;
 - (b) Whether the Annual True-up fails to include data properly recorded in accordance with the provisions in this Agreement;
 - (c) The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - (d) The recording and accounting of costs pursuant to Commission accounting practices and procedures or accounting practices applicable to municipal entities;
 - (e) The accuracy of data included in the Annual True-up and the calculations and charges made therein;
 - (f) The consistency with the BITS Surcharge of data included in the Annual True-up.
 - (g) The prudence of actual costs and expenditures;
 - (h) The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form; or
 - (i) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the BITS Surcharge.
- iv. Make a good faith effort to quantify the financial impact of the items comprising the Formal Challenge;
- v. State whether the issues presented in the Formal Challenge are pending in an existing Commission proceeding or in any other proceeding of which the party is aware, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
- vi. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;

- vii. Include all documents that support the facts in the Formal Challenge in possession of or otherwise obtainable by the filing party, including but not limited to affidavits; and
- viii. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, why not.
- b. Any Interested Party filing a Formal Challenge with the Commission must serve a copy of the Formal Challenge on RIE by electronic service on the date of such filing. The party filing the Formal Challenge shall serve the individuals listed as the contact person on RIE’s Informational Filing.
- c. RIE must respond to the Formal Challenge by the schedule established by the Commission.
- d. In response to a Formal Challenge, RIE shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the BITS Surcharge calculation consistent with the provisions of this Agreement and that it followed the applicable requirements and procedures in these protocols in that year’s Annual True-up. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence issues.
3. Nothing herein shall be deemed to limit in any way the right of RIE to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the BITS Surcharge or any of its inputs, or to replace the BITS Surcharge with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the Federal Power Act and the regulations thereunder. Failure to file an Informal Challenge or a Formal Challenge shall not bar anyone from making a Federal Power Act section 206 filing.
4. No Interested Party shall seek to modify the BITS Surcharge under the Informal and Formal Challenge procedures (“Challenge Procedures”) set forth in the provisions of this Agreement, and the Annual True-up shall not be subject to challenge by anyone for the purpose of modifying the BITS Surcharge. Any modifications to the BITS Surcharge will require, as applicable, a Federal Power Act section 205 or section 206 filing.
5. Any challenges by an Interested Party to the implementation of the BITS Surcharge must be made through the Challenge Procedures described in this Agreement or in a separate complaint proceeding.

Attachment 3

Iron Mine Hill Road Substation Direct Assignment Facilities

This Attachment 3 applies to charges under the Tariff for the following Direct Assignment Facilities associated with the Iron Mine Hill Road Substation constructed and operated for the benefit of Transmission Customer.

Consistent with the approvals received for Proposed Plan Applications NEP-19-G21 through NEP-19-G29 and NEP-19-T08, and in order for Transmission Customer to continue to reliability provide distribution service to its load while also reliably interconnecting the following distributed energy projects (RI-26600221; RI-26795176; RI-26600263, RI-26630077), Transmission Owner will construct for Transmission Customer a new 115-34.5kV substation (Iron Mine Hill Road Substation) adjacent to Transmission Owner's transmission right of way near structure 11 on the H17 line.

The equipment includes:

- 115kV Disconnect Switches
- 115kV Circuit Breakers
- CCVT Instrument Transformers
- Transmission Structures, Communication Equipment, Protection Equipment, Foundations, Civil Work, and other required equipment.

The work scope includes:

- Extending the H17 line around structure 11 to accommodate a new substation and new three-ring bus including other required equipment.
- Installing DTT from Iron Mine Hill Road Substation to West Farnum Substation-Remote terminal upgrade, new line protection, OPG splicing associated with the re-wiring, testing and communication.
- Installing DTT from Iron Mine Hill Road Substation to Riverside Substation-Remote terminal upgrade, new line protection, OPG splicing associated with the re-wiring, testing and communication.

The estimated in-service date of the Iron Mine Hill Road Substation is 12/31/21.

DAF Charges for the Direct Assignment Facilities described in this Attachment are calculated in accordance with Attachment DAF to Schedule 21-~~NEPRIE~~ by multiplying actual total Gross Plant Investment by the Annual Transmission Carrying Charge rate that is in effect at the time (adjusted annually). Transmission Customer will provide a Contribution in Aid of Construction, and per Attachment DAF the Annual Transmission Carrying Charge rate shall be calculated consistent with this option. The Annual Transmission Carrying Charge rate shown below is provided for illustrative purposes only. The estimated calculation for the DAF Charge is detailed below and will be recalculated based on the actual reconciled costs.

Estimated Total Gross Plant Investment: \$9,878,803

Estimated (NEP) Carrying Charge: 5.21%

Estimated Annual DAF Charge: \$514,738

Estimated Monthly billing: \$42,895

ISO New England Inc.
FERC Electric Tariff No.3

Service Agreement No. TSA-NECO-86

LOCAL SERVICE AGREEMENT

BY AND BETWEEN

THE NARRAGANSETT

ELECTRIC COMPANY D/B/A

RHODE ISLAND ENERGY

AND

THE NARRAGANSETT

ELECTRIC COMPANY

D/B/A RHODE ISLAND

ENERGY

AND

ISO NEW ENGLAND, INC.

LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of January 1, 2023, is entered into, by and between The Narragansett Electric Company d/b/a Rhode Island Energy, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Owner” and “Transmission Customer”) and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware (“ISO”). Under this Agreement the Transmission Owner, Transmission Customer, and the ISO each may be referred to as a “Party” or collectively as the “Parties.”

PART I- General Terms and Conditions

1. Service Provided (Check applicable):

☒ Local Network Service

☐ Local Point-To-Point Service

☐ Firm

☐ Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service.

2. The Transmission Customer is an Eligible Customer under the Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.
3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.
4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.
5. The Transmission Owner agrees to provide, and the Transmission Customer

agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.

6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.
7. Any notice or request made to or by either party regarding this Local Service Agreement shall be made to the representative of the other party as indicated below.

Transmission Customer:

The Narragansett Electric Company d/b/a
Rhode Island Energy

2 N. 9th Street

Allentown, PA 18101

Attn: Interconnection Affairs Manager

Email: interconnections@pplweb.com

Transmission Owner :

The Narragansett Electric Company d/b/a
Rhode Island Energy

2 N. 9th Street

Allentown, PA 18101

Attn: Interconnection Affairs Manager

Email: interconnections@pplweb.com

The ISO:

ISO New England Inc.

Attn: Operations Tariff & Agreement Manager

One Sullivan Road

Holyoke, MA 01040

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”) is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.
9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.
10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement (“TOA”) to coordinate the Transmission Owner's provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II-Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.
2. Service shall commence on the later of: (1) January 1, 2023, or (2) such other date as it is permitted to become effective by the Commission. Service shall terminate on a date mutually agreed to in writing by the parties.
3. Specifications for Local Network Service.
 - a. Term of Service: See 2 above.
 - b. List of Network Resources and Point(s) of Receipt: Not required under ISO-NE Transmission, Markets and Services Tariff.

c. Description of capacity and energy to be transmitted: 1.8~~01~~⁰¹ GW and 780~~40~~⁴⁰ GWh.

d. Description of Local Network Load:

e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery: See Attachment 1.

Note: Transmission Owner owns the meters at the Point of Delivery.

f. List of non-Network Resource(s), to the extent known: None.

g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services: Self-supplied by Transmission Customer or acquired through ISO-NE.

h. Identity of Designated Agent:

Authority of Designated Agent:

Term of Designated Agent's authority:

Division of responsibilities and obligations between Transmission Customer and Designated Agent:

i. Interconnection facilities and associated equipment

j. Project name:

k. Interconnecting Transmission Customer:

l. Location:

m. Transformer nameplate rating

n. Interconnection Point

o. Additional facilities and/or associated equipment:

p. Service under this Local Service Agreement shall be subject to the following charges: As of the execution date of this Local Service Agreement, the Schedule 21-RIE charges include a:

- Monthly demand charge with PTF and non-PTF components
- Transformer surcharge
- Meter surcharge
- Network load dispatch surcharge
- Third party support payments

- Direct Assignment Facility charge
- Block Island Transmission System (“BITS”) Surcharge (pursuant to Attachment 2)

q. Additional terms and conditions:

4. Planned work schedule.

Estimated Time

Milestone

Period For Completion

(Activity)

(# of months)

5. Payment schedule and costs.

(Study grade estimate, +____% accuracy, year \$s)

Milestone

Amount (\$)

6. Policy and practices for protection requirements for new or modified load interconnections.

7. Insurance requirements.

PART III – Local Point – To – Point Service N/A

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.

2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.

4. Specifications for Local Point-To-Point Service.

a. Term of Transaction:

b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:

c. Point(s) of Receipt:

d. Delivering Party:

- e. Point(s) of Delivery:
 - f. Receiving Party:
 - g. Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
 - h. Designation of party(ies) subject to reciprocal service obligation:
 - i. Name(s) of any intervening Control Areas providing transmission service:
 - j. Service under this Local Service Agreement shall be subject to the following charges:
 - k. Interconnection facilities and associated equipment:
 - l. Project name:
 - m. Interconnecting Transmission Customer:
 - n. Location:
 - o. Transformer nameplate rating:
 - p. Interconnection point:
 - q. Additional facilities and/or associated equipment:
 - r. Additional terms and conditions:
5. Planned work schedule.
- | Estimated Time | |
|----------------|-----------------------|
| Milestone | Period For Completion |
| (Activity) | (# of months) |
6. Payment schedule and costs
- (Study grade estimate, +___% accuracy, year \$s)
- | Milestone | Amount (\$) |
|-----------|-------------|
|-----------|-------------|
7. Policy and practices for protection requirements for new or modified load interconnections.
8. Insurance requirements.

IN WITNESS WHEREOF, the Parties have caused this Local Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____	President	_____
Name	Title	Date

Print Name

Transmission Owner:

By: _____	Authorized Representative	_____
Name:	Title:	Date

Print Name

The ISO:

By: _____	_____	_____
Name:	Title:	Date

Print Name

The Narragansett Electric Company d/b/a Rhode Island Energy

Points of Delivery

Main District

Admiral Street Substation
Blackburn~~nn~~ Substation
Bristol Substation
Clarkson Street Substation
Davisville Substation
Drumrock Substation
EMI Tiverton Station Service
Farnum Pike Substation
Iron Mine Hill Road Substation
FPL RISEP Station Service
Franklin Square Substation
Johnston Substation
Kent County Substation
Kenyon Substation
Kilvert Substation
Lincoln Ave. Substation
Mink Street Substation
Old Baptist Road Substation
Phillipsdale Substation
Point Street Substation
Pontiac Substation
Putnam Pike
Sockanosset Substation
South Street Station
Tiverton Substation
Tower Hill Substation
Wampanoag Substation
Warren Substation
West Cranston Substation
West Kingston Substation
Wolf Hill Substation
Wood River Substation
Woonsocket Substation

Blackstone Valley

Nasonville B23 Line from W. Farnum
West Farnum tap off 174
Farnum off H 17 Line
Riverside-R9/J16/H17
Pawtucket No. 1 Station X3/P11/T7

Staples JI 6/Q10
Valley R9P11
Washington VI48 from Robinson Ave
Ocean State Power Station Service

Newport

Canonicus St. M13L14
Metering Points (To the extent they differ from a Point of Delivery)

Main District

Pawtucket Power
Johnston Landfill
Valley Hydro
Cranston Landfill

Blackstone Valley

Roosevelt Hydro
Blackstone Hydro, Inc.
Blackstone Hydro Assoc.
Pawtucket #2 Hydro
Woonsocket Hydro

Attachment 2

Block Island Transmission System (BITS) Surcharge

This Attachment 2 applies to charges under the Tariff for Block Island Transmission System (“BITS”) facilities owned or leased by the Transmission Customer, and constructed to interconnect Block Island Power Company (“BIPCO”) and Deepwater Block Island Wind, LLC to the New England Transmission System. In accordance with the Rhode Island General Laws, § 39-26.1-7(f), the annual costs incurred by the Transmission Customer for the BITS facilities shall be recovered annually from its customers and/or from Block Island Power Company (“BIPCO”) through a fully reconciling rate adjustment, subject to any federal approvals that may be required by law.

In addition to the other applicable charges specified for Local Network Service under Schedule 21-RIE of the Tariff, the Transmission Customer shall pay the Block Island Transmission System Surcharge (“BITS Surcharge”) as set forth in this Attachment.

Description of Block Island Transmission System Facilities

For purposes of this Attachment, the BITS facilities, determined in accordance with the Rhode Island General Laws § 39-26.1-7(f), shall include the transmission cable between the Town of New Shoreham and the mainland of the state and related facilities. BITS is comprised of:

- Approximately 20 miles of 34.5kV submarine cable with fiber optic (communication) cable between the Town of New Shoreham and the mainland;
- New 34.5KV substation on Block Island, including two switched reactors for voltage control;
- New 34.5KV switching in Narragansett, RI, including two switched reactors for voltage control;
- Approximately one mile of combined overhead and underground infrastructure on Block Island; and
- Approximately 4 miles of underground infrastructure on the mainland in the Town of Narragansett.

Calculation of BITS Surcharge

The monthly BITS Surcharge shall equal $1/12^{\text{th}}$ of the Facilities Charge multiplied by the Transmission Customer’s Share Percentage, where:

1. The Facilities Charge shall equal the sum of the:
 - a. The BITS Gross Plant Investment, multiplied by the Annual Distribution Facilities Carrying Charge from Schedule 21-RIE, excluding (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, and (G) Primary Related Administrative and General Expense;
 - b. Actual BITS specific Municipal Tax Expense;
 - c. Actual BITS specific Operation and Maintenance Expense; and

- d. 2.5% of Total Primary Related Administrative and General Expense.
2. The Facilities Charge will be updated annually, on or about the June billing month of each year. The Facilities Charge will be subject to true-up on or about June in the following year for actual costs incurred. The true-up amount will be included in the monthly BITS Surcharge invoice following the calculation of the true-up.
 3. The Transmission Customer Share Percentage shall be 1 minus the BIPCO Share Percentage. The BIPCO Share Percentage shall be BIPCO's Annual Peak Load Ratio Share from the prior calendar year as long as BIPCO's Annual Peak Load Ratio Share falls within a range specified by the BIPCO Energy Ratio Collar. If the Annual Peak Load Ratio Share so calculated is less than the Minimum Energy Ratio Share, the BIPCO Share Percentage will be set at the Minimum Energy Ratio Share. If the Annual Peak Load Ratio Share so calculated is greater than the Maximum Energy Ratio Share, the BIPCO Share Percentage will be set at the Maximum Energy Ratio Share. The Transmission Customer Load Ratio Share Percentage shall be reset annually during the same month that the Facilities Charge is updated.
 4. BIPCO's Annual Peak Load Ratio Share shall be determined as a percentage according to the following formula:

$$\text{BIPCO Annual Peak Load} / (\text{BIPCO Annual Peak Load} + \text{Transmission Customer Annual Peak Load})$$

5. BIPCO's Energy Ratio Collar shall be the range between the Minimum Energy Ratio Share and the Maximum Energy Ratio Share, each as determined as a percentage according to the following formula:

$$\text{Minimum Energy Ratio Share} = 1.2 * \text{BIPCO Annual kWh} / (1.2 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

$$\text{Maximum Energy Ratio Share} = 1.8 * \text{BIPCO Annual kWh} / (1.8 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

The following illustrates the calculation of Transmission Customer's Share Percentage:
Illustrative Example:

2010 Annual Peak Load

- | | | |
|-----|---|---------------------|
| (1) | BIPCo Annual Peak Load = | 3,604 kW |
| (2) | RIE Annual Peak Load = | <u>1,843,989 kW</u> |
| (3) | Total Annual Peak Load = | 1,847,489 kW |
| | | |
| (4) | BIPCo Annual Peak Load Ratio Share ((1)/(3)) = 0.19508% | |

2010 Energy Ratio Collar

(1)	1.2* BIPCO Annual Energy =	13,369,466 kWh
(2)	RIE Annual Energy =	<u>7,751,887,000 kWh</u>
(3)	Total Annual Energy	7,765,256,466 kWh
(4)	Minimum Energy Ratio Share ((1)/(3)) =	0.17217%
(1)	1.8* BIPCO Annual Energy =	20,054,199 kWh
(2)	RIE Annual Energy =	<u>7,751,887,000 kWh</u>
(3)	Total Annual Energy	7,771,941,199 kWh
(4)	Maximum Energy Ratio Share ((1)/(3)) =	0.25803%

Since the Annual Peak Load Ratio falls within the range identified by the Energy Ratio Collar, Transmission Customer's Share Percentage in this example would be 0.19508%.

Transmission Customer's Share Percentage = $1 - 0.19508\% = 99.80492\%$.

Annual True-Up Adjustment

1. RIE shall submit an annual informational filing (“Initial Filing”) with the Commission with copies to the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers and the Rhode Island Attorney General reconciling monthly billings to Transmission Customer under this formula to actual data (the “Annual True-up”). The Annual True-up will be completed no later than June 30 for the calendar year which the Annual True-up relates (the “Service Year”). The Annual True-up will reconcile any differences between a recalculation of the costs for the Service Year based on actual data, including data reported in Transmission Customer's Quarterly FERC Form 1's as compared to the monthly actual costs invoiced. The recalculation of the costs for the Service Year will be done using the following information:
 - a. return, associated income taxes and other expenses based on the gross plant value of the project, multiplied by the most recently available carrying charge,
 - b. actual operations and maintenance expenses incurred for the project,
 - c. actual property tax expenses incurred for the project,
 - d. fixed administrative and general expenses based on the most recently available total Transmission Owner administrative & general expense.
2. The difference, if any, between the monthly actual costs invoiced to Transmission Customer during the Service Year and the annual revenue requirement based on actual data shall be reflected as an adjustment to the monthly revenue requirement calculation for the month following the month in which the Annual True-Up report is issued (the “Annual True-up Adjustment”).
3. If the recalculation of costs for the Service Year using actual data exceeds the monthly billed amounts for the Service Year, the Annual True-up Adjustment will be an additional credit to Transmission Customer. If the monthly billed amounts for the Service Year

exceed the recalculation of actual costs, the Annual True-up Adjustment will be a reduction to the credit to Transmission Customer. The Annual True-up Adjustment will be adjusted for interest, whether positive or negative, accrued monthly from December 31 of the Service Year to the end of the calendar month in which the Annual True-up Adjustment will be applied to a monthly billing. Interest shall accrue pursuant to the rate specified in the Commission's regulations 18 C.F.R §35.19a.

4. Any changes to the data inputs, including but not limited to revisions to Transmission Customer's FERC Form No. 1, or as the result of any Commission proceeding to consider the Annual True-up, or as a result of the procedures set forth herein not otherwise captured as part of ongoing Billing Adjustments, shall be incorporated into the formula rate and the charges produced by the BITS Surcharge (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual True-up for the next effective rate period.
5. In any proceeding before the Commission concerning the Annual True-up, the Transmission Owner shall bear the burden, consistent with Section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the formula rate. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence challenges.

Audit Provisions

- ~~1. There will be an "Audit Period" that will extend from the date the informational filing is filed with FERC through December 31 of the year following the Service Year. At any time during the Audit Period, a Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, or the Rhode Island Attorney General shall have the right to request an audit or conduct an inspection of the actual data used in the Annual True Up and any and all transmission charges or credits billed by the Transmission Owner during the Service Year. The Transmission Owner shall not withhold information, on grounds of confidentiality, but is entitled to make such information available pursuant to a confidentiality agreement and to restrict access to non-competitive duty personnel and to other personnel as prescribed by FERC. The Transmission Owner is not obligated to disclose privileged information or information protected by the attorney work product doctrine. The Transmission Owner shall exercise all commercially reasonable efforts to provide, within 10 business days, such additional information as Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General may reasonably request. To the extent requested, the Transmission Owner shall meet with any Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General to provide such additional information, explanation, and/or clarification regarding the Annual True Up or any other information related to Transmission Customer billing under this Local Service Agreement during the Service Year. During the Audit Period any Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General may request that the Transmission Owner adjust the Annual True-up Adjustment and/or Transmission Customer bills rendered during the Service Year. Any adjustment that the Transmission Owner agrees to make may be reflected in the next month following such adjustment.~~

2. ~~Upon request of any Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers and the Rhode Island Attorney General during the Audit Period, Transmission Owner shall engage a third party independent auditor (the "Auditing Entity") through the process described in Paragraph 4, below. The Auditing Entity shall certify that the development, accuracy and application of data, is in accordance with the provisions of this Local Service Agreement. The Auditing Entity shall provide a Certified Public Accountant's attestation setting forth such certification ("CPA Attestation").~~
- a. ~~In addition to the CPA Attestation, the Auditing Entity will provide an audit report that will specify the audit process and procedures; identify the individual auditors and their functions; and include all copies of all written communications with the Transmission Owner personnel, summaries of all other communications related to the audit, descriptions of all data analysis techniques used, findings and recommendations. Also, the Auditing Entity shall make available all workpapers and other documentation and materials that support the CPA Attestation.~~
 - b. ~~The Transmission Owner shall engage the Auditing Entity to perform the CPA Attestation duties through a competitive bidding process, evaluating each bidder according to cost, experience, competency and familiarity with the industry and the regulatory environment. The requesting Transmission Customer(s), the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General shall have the right to approve the content of the Request for Proposal and the Transmission Owner's selection of the auditing entity, which approval shall not be unreasonably withheld. If necessary, and after good faith efforts have not resulted in the Transmission Owner's obtaining an Auditing Entity to provide the CPA Attestation pursuant to this Paragraph 4, the requesting Transmission Customer(s), the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General and the Transmission Owner agree to negotiate in good faith the scope of work that may be needed to provide a CPA Attestation and to accommodate the American Institute of Certified Public Accountants Code of Professional Conduct.~~
 - c. ~~In the event an independent audit is performed with respect to a Service Year and the Transmission Owner determines that the Annual True Up is incorrect, the Annual True Up may be subsequently adjusted pursuant to the provisions of this Local Service Agreement.~~
 - d. ~~The reasonable and prudent cost of the Auditing Entity's services and the Transmission Owner's reasonable and prudent costs of engaging the Auditing Entity and providing information to the Auditing Entity and the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General shall be included as part of the transmission costs charged to the Transmission Customers under this Local Service Agreement.~~

Information Exchange Process and Challenge Procedures

I. Information Exchange Process

A. Interested Parties may participate in the Information Exchange Period. Interested Parties shall mean the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, and the Rhode Island Attorney General. The Information Exchange Period shall extend from June 30 through September 30 during which the Interested Parties can serve reasonable information and discover requests on RIE. Information and document requests shall be limited to what may be reasonably necessary to determine:

- a. The extent or effect of an Accounting Change;
- b. Whether the Annual True-up fails to include data properly recorded in accordance with the provisions of this Agreement;
- c. The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
- d. The recording and accounting of costs pursuant to Commission accounting practices and procedures, or accounting practices applicable to municipal entities;
- e. The accuracy of data included in the Annual True-up and the calculations and charges made therein;
- f. The consistency with the BITS Surcharge of data included in the Annual True-up;
- g. The prudence of actual costs and expenditures;
- h. The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form.

Interested Parties may also submit reasonable discovery requests to RIE for any other information that may have an effect on the calculation of the charge pursuant to the BITS surcharge.

The information and document requests shall not otherwise be directed to ascertaining whether the BITS surcharge formula is just and reasonable.

B. RIE shall make a good faith effort to respond to any information requests pertaining to the Annual True-up in accordance within 15 days after receipt of the request but no later than October 30. Information requests received after 4 p.m. Eastern Prevailing Time shall be considered received the next business day.

- C. To the extent RIE and applicable Interested Parties are unable to resolve disputes related to information requests, RIE or applicable Interested Parties may avail themselves of the on-call settlement judge or the Commission's Office of Administrative Law Judges and Dispute Resolution to resolve such matters.

II. Challenge Procedures – Informal and Formal

1. Informal Challenges must be communicated to RIE in writing, which may be made electronically from June 30 through November 30 ("Review Period"). During the Review Period, Interested Parties may review the Accounting Changes (if any), inputs, supporting explanations, allocations, calculations or other information relating to the current Annual True-up and notify RIE of any specific Informal Challenges. Failure to pursue an issue through an Informal Challenge shall not bar pursuit of that issue as part of a Formal Challenge with respect to the same Annual True-up as long as the Interested Party has submitted an Informal Challenge on any issue with respect to that Annual True-up. Failure to submit a Formal Challenge regarding any particular issue as to a given Annual True-up shall bar pursuit of such issue with respect to that Annual True-up, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-up.
 - a. The Interested Party submitting an Informal Challenge to RIE must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents, as applicable, to support its challenge. RIE shall make its best efforts to respond to any Informal Challenges within 20 days but no later than December 30. RIE shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If RIE disagrees with such challenge, RIE will provide the Interested Party(ies) with a written explanation supporting the inputs, explanations, allocations, calculations, or other information and why they disagree with the Informal Challenge.
2. Interested Parties shall file Formal Challenges with the Commission on or before February 15. Formal Challenges shall only be initiated after the Informal Challenge process has been pursued and the results not found satisfactory to one or more of the Interested Parties making the Formal Challenge.
 - a. A Formal Challenge shall:
 - i. Clearly identify the action or inaction in the current Annual True-up which is alleged to violate the BITS Surcharge or the provisions of this Agreement;

- ii. Explain how the action or inaction violates the BITS Surcharge or the provisions of this Agreement;
- iii. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, which will include the following items, where applicable:
 - (a) The extent or effect of an Accounting Change;
 - (b) Whether the Annual True-up fails to include data properly recorded in accordance with the provisions in this Agreement;
 - (c) The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - (d) The recording and accounting of costs pursuant to Commission accounting practices and procedures or accounting practices applicable to municipal entities;
 - (e) The accuracy of data included in the Annual True-up and the calculations and charges made therein;
 - (f) The consistency with the BITS Surcharge of data included in the Annual True-up.
 - (g) The prudence of actual costs and expenditures;
 - (h) The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form; or
 - (i) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the BITS Surcharge.
- iv. Make a good faith effort to quantify the financial impact of the items comprising the Formal Challenge;
- v. State whether the issues presented in the Formal Challenge are pending in an existing Commission proceeding or in any other proceeding of which the party is aware, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
- vi. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;

- vii. Include all documents that support the facts in the Formal Challenge in possession of or otherwise obtainable by the filing party, including but not limited to affidavits; and
 - viii. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, why not.
 - b. Any Interested Party filing a Formal Challenge with the Commission must serve a copy of the Formal Challenge on RIE by electronic service on the date of such filing. The party filing the Formal Challenge shall serve the individuals listed as the contact person on RIE's Informational Filing.
 - c. RIE must respond to the Formal Challenge by the schedule established by the Commission.
 - d. In response to a Formal Challenge, RIE shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the BITS Surcharge calculation consistent with the provisions of this Agreement and that it followed the applicable requirements and procedures in these protocols in that year's Annual True-up. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence issues.
3. Nothing herein shall be deemed to limit in any way the right of RIE to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the BITS Surcharge or any of its inputs, or to replace the BITS Surcharge with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the Federal Power Act and the regulations thereunder. Failure to file an Informal Challenge or a Formal Challenge shall not bar anyone from making a Federal Power Act section 206 filing.
 4. No Interested Party shall seek to modify the BITS Surcharge under the Informal and Formal Challenge procedures ("Challenge Procedures") set forth in the provisions of this Agreement, and the Annual True-up shall not be subject to challenge by anyone for the purpose of modifying the BITS Surcharge. Any modifications to the BITS Surcharge will require, as applicable, a Federal Power Act section 205 or section 206 filing.
 5. Any challenges by an Interested Party to the implementation of the BITS Surcharge must be made through the Challenge Procedures described in this Agreement or in a separate complaint proceeding.

Attachment 3

Iron Mine Hill Road Substation Direct Assignment Facilities

This Attachment 3 applies to charges under the Tariff for the following Direct Assignment Facilities associated with the Iron Mine Hill Road Substation constructed and operated for the benefit of Transmission Customer.

Consistent with the approvals received for Proposed Plan Applications NEP-19-G21 through NEP-19-G29 and NEP-19-T08, and in order for Transmission Customer to continue to reliability provide distribution service to its load while also reliably interconnecting the following distributed energy projects (RI-26600221; RI-26795176; RI-26600263, RI-26630077), Transmission Owner will construct for Transmission Customer a new 115-34.5kV substation (Iron Mine Hill Road Substation) adjacent to Transmission Owner's transmission right of way near structure 11 on the H17 line.

The equipment includes:

- 115kV Disconnect Switches
- 115kV Circuit Breakers
- CCVT Instrument Transformers
- Transmission Structures, Communication Equipment, Protect Equipment, Foundations, Civil Work, and other required equipment.

The work scope includes:

- Extending the H17 line around structure 11 to accommodate a new substation and new three-ring bus including other required equipment.
- Installing DTT from Iron Mine Hill Road Substation to West Farnum Substation-Remote terminal upgrade, new line protection, OPG splicing associated with the re-wiring, testing and communication.
- Installing DTT from Iron Mine Hill Road Substation to Riverside Substation-Remote terminal upgrade, new line protection, OPG splicing associated with the re-wiring, testing and communication.

The estimated in-service date of the Iron Mine Hill Road Substation is 12/31/21.

DAF Charges for the Direct Assignment Facilities described in this Attachment are calculated in accordance with Attachment DAF to Schedule 21-RIE by multiplying actual total Gross Plant Investment by the Annual Transmission Carrying Charge rate that is in effect at the time (adjusted annually). Transmission Customer will provide a Contribution in Aid of Construction, and per Attachment DAF the Annual Transmission Carrying Charge rate shall be calculated consistent with this option. The Annual Transmission Carrying Charge rate shown below is provided for illustrative purposes only. The estimated calculation for the DAF Charge is detailed below and will be recalculated based on the actual reconciled costs.

Estimated Total Gross Plant Investment: \$9,878,803

Estimated (NEP) Carrying Charge: 5.21%

Estimated Annual DAF Charge: \$514,738

Estimated Monthly billing: \$42,895

ISO New England Inc.
FERC Electric Tariff No.3

Service Agreement No. TSA-NECO-86

LOCAL SERVICE AGREEMENT

BY AND BETWEEN

THE NARRAGANSETT

ELECTRIC COMPANY D/B/A

RHODE ISLAND ENERGY

AND

THE NARRAGANSETT

ELECTRIC COMPANY

D/B/A RHODE ISLAND

ENERGY

AND

ISO NEW ENGLAND, INC.

LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of January 1, 2023, is entered into, by and between The Narragansett Electric Company d/b/a Rhode Island Energy, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Owner” and “Transmission Customer”) and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware (“ISO”). Under this Agreement the Transmission Owner, Transmission Customer, and the ISO each may be referred to as a “Party” or collectively as the “Parties.”

PART I- General Terms and Conditions

1. Service Provided (Check applicable):

☒ Local Network Service

☐ Local Point-To-Point Service

☐ Firm

☐ Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service.

2. The Transmission Customer is an Eligible Customer under the Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.

3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.

4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.

5. The Transmission Owner agrees to provide, and the Transmission Customer

agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.

6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.
7. Any notice or request made to or by either party regarding this Local Service Agreement shall be made to the representative of the other party as indicated below.

Transmission Customer:

The Narragansett Electric Company d/b/a
Rhode Island Energy

2 N. 9th Street

Allentown, PA 18101

Attn: Interconnection Affairs Manager

Email: interconnections@pplweb.com

Transmission Owner :

The Narragansett Electric Company d/b/a
Rhode Island Energy

2 N. 9th Street

Allentown, PA 18101

Attn: Interconnection Affairs Manager

Email: interconnections@pplweb.com

The ISO:

ISO New England Inc.

Attn: Operations Tariff & Agreement Manager

One Sullivan Road

Holyoke, MA 01040

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”) is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.
9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.
10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement (“TOA”) to coordinate the Transmission Owner's provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II-Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.
2. Service shall commence on the later of: (1) January 1, 2023, or (2) such other date as it is permitted to become effective by the Commission. Service shall terminate on a date mutually agreed to in writing by the parties.
3. Specifications for Local Network Service.
 - a. Term of Service: See 2 above.
 - b. List of Network Resources and Point(s) of Receipt: Not required under ISO-NE Transmission, Markets and Services Tariff.

c. Description of capacity and energy to be transmitted: 1.8~~01~~⁰¹ GW and 780~~40~~⁴⁰ GWh.

d. Description of Local Network Load:

e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery: See Attachment 1.

Note: Transmission Owner owns the meters at the Point of Delivery.

f. List of non-Network Resource(s), to the extent known: None.

g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services: Self-supplied by Transmission Customer or acquired through ISO-NE.

h. Identity of Designated Agent:

Authority of Designated Agent:

Term of Designated Agent's authority:

Division of responsibilities and obligations between Transmission Customer and Designated Agent:

i. Interconnection facilities and associated equipment

j. Project name:

k. Interconnecting Transmission Customer:

l. Location:

m. Transformer nameplate rating

n. Interconnection Point

o. Additional facilities and/or associated equipment:

p. Service under this Local Service Agreement shall be subject to the following charges: As of the execution date of this Local Service Agreement, the Schedule 21-RIE charges include a:

- Monthly demand charge with PTF and non-PTF components
- Transformer surcharge
- Meter surcharge
- Network load dispatch surcharge
- Third party support payments

- Direct Assignment Facility charge
- Block Island Transmission System (“BITS”) Surcharge (pursuant to Attachment 2)

q. Additional terms and conditions:

4. Planned work schedule.

Estimated Time

Milestone

Period For Completion

(Activity)

(# of months)

5. Payment schedule and costs.

(Study grade estimate, +____% accuracy, year \$s)

Milestone

Amount (\$)

6. Policy and practices for protection requirements for new or modified load interconnections.

7. Insurance requirements.

PART III – Local Point – To – Point Service N/A

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.

2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.

4. Specifications for Local Point-To-Point Service.

a. Term of Transaction:

b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:

c. Point(s) of Receipt:

d. Delivering Party:

- e. Point(s) of Delivery:
- f. Receiving Party:
- g. Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
- h. Designation of party(ies) subject to reciprocal service obligation:
- i. Name(s) of any intervening Control Areas providing transmission service:
- j. Service under this Local Service Agreement shall be subject to the following charges:
- k. Interconnection facilities and associated equipment:
- l. Project name:
- m. Interconnecting Transmission Customer:
- n. Location:
- o. Transformer nameplate rating:
- p. Interconnection point:
- q. Additional facilities and/or associated equipment:
- r. Additional terms and conditions:

5. Planned work schedule.

Estimated Time

Milestone	Period For Completion
(Activity)	(# of months)

6. Payment schedule and costs

(Study grade estimate, +___% accuracy, year \$s)

Milestone	Amount (\$)
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7. Policy and practices for protection requirements for new or modified load interconnections.

8. Insurance requirements.

|

IN WITNESS WHEREOF, the Parties have caused this Local Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____ President _____
Name Title Date

Print Name

Transmission Owner:

By: _____ Authorized Representative _____
Name: Title: Date

Print Name

The ISO:

By: _____ _____ _____
Name: Title: Date

Print Name

The Narragansett Electric Company d/b/a Rhode Island Energy

Points of Delivery

Main District

Admiral Street Substation
Blackburn~~nn~~ Substation
Bristol Substation
Clarkson Street Substation
Davisville Substation
Drumrock Substation
EMI Tiverton Station Service
Farnum Pike Substation
FPL RISEP Station Service
Franklin Square Substation
Iron Mine Hill Road Substation
Johnston Substation
Kent County Substation
Kenyon Substation
Kilvert Substation
Lincoln Ave. Substation
Mink Street Substation
Old Baptist Road Substation
Phillipsdale Substation
Point Street Substation
Pontiac Substation
Putnam Pike
Sockanosset Substation
South Street Station
Tiverton Substation
Tower Hill Substation
Wampanoag Substation
Warren Substation
West Cranston Substation
West Kingston Substation
Wolf Hill Substation
Wood River Substation
Woonsocket Substation

Blackstone Valley

Nasonville B23 Line from W. Farnum
West Farnum tap off 174
Farnum off H 17 Line
Riverside-R9/J16/H17
Pawtucket No. 1 Station X3/P11/T7

Staples JI 6/Q10
Valley R9P11
Washington VI48 from Robinson Ave
Ocean State Power Station Service

Newport

Canonicus St. M13L14
Metering Points (To the extent they differ from a Point of Delivery)

Main District

Pawtucket Power
Johnston Landfill
Valley Hydro
Cranston Landfill

Blackstone Valley

Roosevelt Hydro
Blackstone Hydro, Inc.
Blackstone Hydro Assoc.
Pawtucket #2 Hydro
Woonsocket Hydro

Attachment 2

Block Island Transmission System (BITS) Surcharge

This Attachment 2 applies to charges under the Tariff for Block Island Transmission System (“BITS”) facilities owned or leased by the Transmission Customer, and constructed to interconnect Block Island Power Company (“BIPCO”) and Deepwater Block Island Wind, LLC to the New England Transmission System. In accordance with the Rhode Island General Laws, § 39-26.1-7(f), the annual costs incurred by the Transmission Customer for the BITS facilities shall be recovered annually from its customers and/or from Block Island Power Company (“BIPCO”) through a fully reconciling rate adjustment, subject to any federal approvals that may be required by law.

In addition to the other applicable charges specified for Local Network Service under Schedule 21-RIE of the Tariff, the Transmission Customer shall pay the Block Island Transmission System Surcharge (“BITS Surcharge”) as set forth in this Attachment.

Description of Block Island Transmission System Facilities

For purposes of this Attachment, the BITS facilities, determined in accordance with the Rhode Island General Laws § 39-26.1-7(f), shall include the transmission cable between the Town of New Shoreham and the mainland of the state and related facilities. BITS is comprised of:

- Approximately 20 miles of 34.5kV submarine cable with fiber optic (communication) cable between the Town of New Shoreham and the mainland;
- New 34.5KV substation on Block Island, including two switched reactors for voltage control;
- New 34.5KV switching in Narragansett, RI, including two switched reactors for voltage control;
- Approximately one mile of combined overhead and underground infrastructure on Block Island; and
- Approximately 4 miles of underground infrastructure on the mainland in the Town of Narragansett.

Calculation of BITS Surcharge

The monthly BITS Surcharge shall equal $1/12^{\text{th}}$ of the Facilities Charge multiplied by the Transmission Customer’s Share Percentage, where:

1. The Facilities Charge shall equal the sum of the:
 - a. The BITS Gross Plant Investment, multiplied by the Annual Distribution Facilities Carrying Charge from Schedule 21-RIE, excluding (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, and (G) Primary Related Administrative and General Expense;
 - b. Actual BITS specific Municipal Tax Expense;
 - c. Actual BITS specific Operation and Maintenance Expense; and

- d. 2.5% of Total Primary Related Administrative and General Expense.
2. The Facilities Charge will be updated annually, on or about the June billing month of each year. The Facilities Charge will be subject to true-up on or about June in the following year for actual costs incurred. The true-up amount will be included in the monthly BITS Surcharge invoice following the calculation of the true-up.
 3. The Transmission Customer Share Percentage shall be 1 minus the BIPCO Share Percentage. The BIPCO Share Percentage shall be BIPCO's Annual Peak Load Ratio Share from the prior calendar year as long as BIPCO's Annual Peak Load Ratio Share falls within a range specified by the BIPCO Energy Ratio Collar. If the Annual Peak Load Ratio Share so calculated is less than the Minimum Energy Ratio Share, the BIPCO Share Percentage will be set at the Minimum Energy Ratio Share. If the Annual Peak Load Ratio Share so calculated is greater than the Maximum Energy Ratio Share, the BIPCO Share Percentage will be set at the Maximum Energy Ratio Share. The Transmission Customer Load Ratio Share Percentage shall be reset annually during the same month that the Facilities Charge is updated.
 4. BIPCO's Annual Peak Load Ratio Share shall be determined as a percentage according to the following formula:

$$\text{BIPCO Annual Peak Load} / (\text{BIPCO Annual Peak Load} + \text{Transmission Customer Annual Peak Load})$$

5. BIPCO's Energy Ratio Collar shall be the range between the Minimum Energy Ratio Share and the Maximum Energy Ratio Share, each as determined as a percentage according to the following formula:

$$\text{Minimum Energy Ratio Share} = 1.2 * \text{BIPCO Annual kWh} / (1.2 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

$$\text{Maximum Energy Ratio Share} = 1.8 * \text{BIPCO Annual kWh} / (1.8 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

The following illustrates the calculation of Transmission Customer's Share Percentage:
Illustrative Example:

2010 Annual Peak Load

- | | | |
|-----|---|---------------------|
| (1) | BIPCo Annual Peak Load = | 3,604 kW |
| (2) | RIE Annual Peak Load = | <u>1,843,989 kW</u> |
| (3) | Total Annual Peak Load = | 1,847,489 kW |
| | | |
| (4) | BIPCo Annual Peak Load Ratio Share ((1)/(3)) = 0.19508% | |

2010 Energy Ratio Collar

(1)	1.2* BIPCO Annual Energy =	13,369,466 kWh
(2)	RIE Annual Energy =	<u>7,751,887,000 kWh</u>
(3)	Total Annual Energy	7,765,256,466 kWh
(4)	Minimum Energy Ratio Share ((1)/(3)) =	0.17217%
(1)	1.8* BIPCO Annual Energy =	20,054,199 kWh
(2)	RIE Annual Energy =	<u>7,751,887,000 kWh</u>
(3)	Total Annual Energy	7,771,941,199 kWh
(4)	Maximum Energy Ratio Share ((1)/(3)) =	0.25803%

Since the Annual Peak Load Ratio falls within the range identified by the Energy Ratio Collar, Transmission Customer's Share Percentage in this example would be 0.19508%.

Transmission Customer's Share Percentage = $1 - 0.19508\% = 99.80492\%$.

Annual True-Up Adjustment

- A. RIE shall submit an annual informational filing ("Initial Filing") with the Commission with copies to the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers and the Rhode Island Attorney General reconciling monthly billings to Transmission Customer under this formula to actual data (the "Annual True-up"). The Annual True-up will be completed no later than June 30 for the calendar year which the Annual True-up relates (the "Service Year"). The Annual True-up will reconcile any differences between a recalculation of the costs for the Service Year based on actual data, including data reported in Transmission Customer's Quarterly FERC Form 1s as compared to the monthly actual costs invoiced. The recalculation of the costs for the Service Year will be done using the following information:
- a. return, associated income taxes and other expenses based on the gross plant value of the project, multiplied by the most recently available carrying charge,
 - b. actual operations and maintenance expenses incurred for the project,
 - c. actual property tax expenses incurred for the project,
 - d. fixed administrative and general expenses based on the most recently available total Transmission Owner administrative & general expense.
- B. The difference, if any, between the monthly actual costs invoiced to Transmission Customer during the Service Year and the annual revenue requirement based on actual data shall be reflected as an adjustment to the monthly revenue requirement calculation for the month following the month in which the Annual True-Up report is issued (the "Annual True-up Adjustment").
- C. If the recalculation of costs for the Service Year using actual data exceeds the monthly billed amounts for the Service Year, the Annual True-up Adjustment will be an additional credit to Transmission Customer. If the monthly billed amounts for the Service Year

exceed the recalculation of actual costs, the Annual True-up Adjustment will be a reduction to the credit to Transmission Customer. The Annual True-up Adjustment will be adjusted for interest, whether positive or negative, accrued monthly from December 31 of the Service Year to the end of the calendar month in which the Annual True-up Adjustment will be applied to a monthly billing. Interest shall accrue pursuant to the rate specified in the Commission's regulations 18 C.F.R §35.19a.

- D. Any changes to the data inputs, including but not limited to revisions to Transmission Customer's FERC Form No. 1, or as the result of any Commission proceeding to consider the Annual True-up, or as a result of the procedures set forth herein not otherwise captured as part of ongoing Billing Adjustments, shall be incorporated into the formula rate and the charges produced by the BITS Surcharge (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual True-up for the next effective rate period.
- E. In any proceeding before the Commission concerning the Annual True-up, the Transmission Owner shall bear the burden, consistent with Section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the formula rate. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence challenges.

Information Exchange Process and Challenge Procedures

I. Information Exchange Process

1. Interested Parties may participate in the Information Exchange Period. Interested Parties shall mean the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, and the Rhode Island Attorney General. The Information Exchange Period shall extend from June 30 through September 30 during which the Interested Parties can serve reasonable information and discover requests on RIE. Information and document requests shall be limited to what may be reasonably necessary to determine:
 - a. The extent or effect of an Accounting Change;
 - b. Whether the Annual True-up fails to include data properly recorded in accordance with the provisions of this Agreement;
 - c. The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - d. The recording and accounting of costs pursuant to Commission accounting practices and procedures, or accounting practices applicable to municipal entities;

- e. The accuracy of data included in the Annual True-up and the calculations and charges made therein;
- f. The consistency with the BITS Surcharge of data included in the Annual True-up;
- g. The prudence of actual costs and expenditures;
- h. The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form.

Interested Parties may also submit reasonable discovery requests to RIE for any other information that may have an effect on the calculation of the charge pursuant to the BITS surcharge.

The information and document requests shall not otherwise be directed to ascertaining whether the BITS surcharge formula is just and reasonable.

- 2. RIE shall make a good faith effort to respond to any information requests pertaining to the Annual True-up in accordance within 15 days after receipt of the request but no later than October 30. Information requests received after 4 p.m. Eastern Prevailing Time shall be considered received the next business day.
- 3. To the extent RIE and applicable Interested Parties are unable to resolve disputes related to information requests, RIE or applicable Interested Parties may avail themselves of the on-call settlement judge or the Commission's Office of Administrative Law Judges and Dispute Resolution to resolve such matters.

II. Challenge Procedures – Informal and Formal

- 1. Informal Challenges must be communicated to RIE in writing, which may be made electronically from June 30 through November 30 ("Review Period"). During the Review Period, Interested Parties may review the Accounting Changes (if any), inputs, supporting explanations, allocations, calculations or other information relating to the current Annual True-up and notify RIE of any specific Informal Challenges. Failure to pursue an issue through an Informal Challenge shall not bar pursuit of that issue as part of a Formal Challenge with respect to the same Annual True-up as long as the Interested Party has submitted an Informal Challenge on any issue with respect to that Annual True-up. Failure to submit a Formal Challenge regarding any particular issue as to a given Annual True-up shall bar pursuit of such issue with respect to that Annual True-up, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-up.

- a. The Interested Party submitting an Informal Challenge to RIE must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents, as applicable, to support its challenge. RIE shall make its best efforts to respond to any Informal Challenges within 20 days but no later than December 30. RIE shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If RIE disagrees with such challenge, RIE will provide the Interested Party(ies) with a written explanation supporting the inputs, explanations, allocations, calculations, or other information and why they disagree with the Informal Challenge.
2. Interested Parties shall file Formal Challenges with the Commission on or before February 15. Formal Challenges shall only be initiated after the Informal Challenge process has been pursued and the results not found satisfactory to one or more of the Interested Parties making the Formal Challenge.
 - a. A Formal Challenge shall:
 - i. Clearly identify the action or inaction in the current Annual True-up which is alleged to violate the BITS Surcharge or the provisions of this Agreement;
 - ii. Explain how the action or inaction violates the BITS Surcharge or the provisions of this Agreement;
 - iii. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, which will include the following items, where applicable:
 - (a) The extent or effect of an Accounting Change;
 - (b) Whether the Annual True-up fails to include data properly recorded in accordance with the provisions in this Agreement;
 - (c) The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - (d) The recording and accounting of costs pursuant to Commission accounting practices and procedures or accounting practices applicable to municipal entities;

- (e) The accuracy of data included in the Annual True-up and the calculations and charges made therein;
 - (f) The consistency with the BITS Surcharge of data included in the Annual True-up.
 - (g) The prudence of actual costs and expenditures;
 - (h) The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form; or
 - (i) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the BITS Surcharge.
 - iv. Make a good faith effort to quantify the financial impact of the items comprising the Formal Challenge;
 - v. State whether the issues presented in the Formal Challenge are pending in an existing Commission proceeding or in any other proceeding of which the party is aware, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
 - vi. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
 - vii. Include all documents that support the facts in the Formal Challenge in possession of or otherwise obtainable by the filing party, including but not limited to affidavits; and
 - viii. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, why not.
 - b. Any Interested Party filing a Formal Challenge with the Commission must serve a copy of the Formal Challenge on RIE by electronic service on the date of such filing. The party filing the Formal Challenge shall serve the individuals listed as the contact person on RIE's Informational Filing.
 - c. RIE must respond to the Formal Challenge by the schedule established by the Commission.
 - d. In response to a Formal Challenge, RIE shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the BITS Surcharge calculation consistent with the provisions of

this Agreement and that it followed the applicable requirements and procedures in these protocols in that year's Annual True-up. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence issues.

3. Nothing herein shall be deemed to limit in any way the right of RIE to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the BITS Surcharge or any of its inputs, or to replace the BITS Surcharge with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the Federal Power Act and the regulations thereunder. Failure to file an Informal Challenge or a Formal Challenge shall not bar anyone from making a Federal Power Act section 206 filing.
4. No Interested Party shall seek to modify the BITS Surcharge under the Informal and Formal Challenge procedures ("Challenge Procedures") set forth in the provisions of this Agreement, and the Annual True-up shall not be subject to challenge by anyone for the purpose of modifying the BITS Surcharge. Any modifications to the BITS Surcharge will require, as applicable, a Federal Power Act section 205 or section 206 filing.
5. Any challenges by an Interested Party to the implementation of the BITS Surcharge must be made through the Challenge Procedures described in this Agreement or in a separate complaint proceeding.

Attachment 3

Iron Mine Hill Road Substation Direct Assignment Facilities

This Attachment 3 applies to charges under the Tariff for the following Direct Assignment Facilities associated with the Iron Mine Hill Road Substation constructed and operated for the benefit of Transmission Customer.

Consistent with the approvals received for Proposed Plan Applications NEP-19-G21 through NEP-19-G29 and NEP-19-T08, and in order for Transmission Customer to continue to reliability provide distribution service to its load while also reliably interconnecting the following distributed energy projects (RI-26600221; RI-26795176; RI-26600263, RI-26630077), Transmission Owner will construct for Transmission Customer a new 115-34.5kV substation (Iron Mine Hill Road Substation) adjacent to Transmission Owner's transmission right of way near structure 11 on the H17 line.

The equipment includes:

- 115kV Disconnect Switches
- 115kV Circuit Breakers
- CCVT Instrument Transformers
- Transmission Structures, Communication Equipment, Protect Equipment, Foundations, Civil Work, and other required equipment.

The work scope includes:

- Extending the H17 line around structure 11 to accommodate a new substation and new three-ring bus including other required equipment.
- Installing DTT from Iron Mine Hill Road Substation to West Farnum Substation-Remote terminal upgrade, new line protection, OPG splicing associated with the re-wiring, testing and communication.
- Installing DTT from Iron Mine Hill Road Substation to Riverside Substation-Remote terminal upgrade, new line protection, OPG splicing associated with the re-wiring, testing and communication.

The estimated in-service date of the Iron Mine Hill Road Substation is 12/31/21.

DAF Charges for the Direct Assignment Facilities described in this Attachment are calculated in accordance with Attachment DAF to Schedule 21-RIE by multiplying actual total Gross Plant Investment by the Annual Transmission Carrying Charge rate that is in effect at the time (adjusted annually). Transmission Customer will provide a Contribution in Aid of Construction, and per Attachment DAF the Annual Transmission Carrying Charge rate shall be calculated consistent with this option. The Annual Transmission Carrying Charge rate shown below is provided for illustrative purposes only. The estimated calculation for the DAF Charge is detailed below and will be recalculated based on the actual reconciled costs.

Estimated Total Gross Plant Investment: \$9,878,803

Estimated (NEP) Carrying Charge: 5.21%

Estimated Annual DAF Charge: \$514,738

Estimated Monthly billing: \$42,895

Redline of Sections V and VI of ISO-NE OATT,
Attachment F, Appendix C

V. Information Exchange Process

1. Interested Parties may participate in the Information Exchange Period ~~in accordance with the Timeline.~~ Interested Parties shall mean the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, and the Rhode Island Attorney General. The Information Exchange Period shall extend from June 30 through September 30 during which the Interested Parties can serve reasonable information and discover requests on RIE. Information and document requests shall be limited to what may be reasonably necessary to determine:
 - a. The extent or effect of an Accounting Change;
 - b. Whether the Annual True-uUpdate fails to include data properly recorded in accordance with the provisions of this Agreement~~se Protocols~~;
 - c. The proper application of the BITS Surcharge~~Formula Rate~~ to the Annual True-uUpdate and procedures in the provisions of this Agreement~~se Protocols~~;
 - d. The recording and accounting of costs pursuant to Commission accounting practices and procedures, or accounting practices applicable to municipal entities;
 - e. The accuracy of data included in the Annual True-uUpdate and the calculations and charges made therein;
 - f. The consistency with the BITS Surcharge~~Formula Rate~~ of data included in the Annual True-uUpdate;
 - ~~g. The accuracy of the inputs in accordance with the Applicable Form to the extent applicable;~~
 - h.g. The prudence of actual costs and expenditures;
 - ~~i. Allocation of revenues or costs between Regional Service, Local Service and Schedule 12(C) categories; or~~
 - j.h. The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form.

Interested Parties may also submit reasonable discovery requests to ~~the PTO(s)RIE~~ for any other information that may have an effect on the calculation of the charge pursuant to the ~~Formula Rate~~BITS surcharge.

The information and document requests shall not otherwise be directed to ascertaining whether the BITS surcharge ~~fFormula Rate~~ is just and reasonable.

2. ~~The PTO(s)RIE~~ shall make a good faith effort to respond to any information requests pertaining to the Annual True-u~~Update~~ in accordance with in 15 days after receipt of the request but no later than October 30~~the Timeline~~. Information requests received after 4 p.m. Eastern Prevailing Time shall be considered received the next business day.

~~3. The PTO(s) shall cause to be posted publicly all information requests from Interested Parties and the PTO's(s') response(s) to such requests; except, however, if responses to information and document requests include material deemed by the PTO(s) to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by the applicable PTO(s) and the requesting party. In such a case, there will be a notice posted that the information requested is available pursuant to a confidentiality agreement.~~

~~4. Subject to the confidentiality provisions in Section V.3 above, the PTOs shall not claim that responses to information and document requests pursuant to these Protocols are subject to any settlement privilege in any subsequent Commission proceeding addressing the PTOs' Annual Update, or any other FERC proceeding and in any proceeding before an Article III court to review a FERC decision.~~

5.3. To the extent ~~the PTO(s)RIE~~ and applicable Interested Parties are unable to resolve disputes related to information requests, ~~the PTO(s)RIE~~ or applicable Interested Parties may avail themselves of the on-call settlement judge or the Commission's Office of Administrative Law Judges and Dispute Resolution to resolve such matters.

~~6. Nothing herein shall prevent an Interested Party from addressing information and document requests to individual PTOs, including information and document requests concerning the allocation of costs among a PTO's Tariff Rates, or prevent individual PTOs from responding to such requests. Review of Local Service rates or Schedule 12C costs shall be limited to the Affected Parties.~~

VI. Challenge Procedures – Informal and Formal

1. Informal Challenges must be communicated to ~~the PTO(s)~~RIE in writing, which may be made electronically from June 30 through November 30 (“Review Period”); in accordance with the Timeline. During the Review Period, Interested Parties may review the Accounting Changes (if any), inputs, supporting explanations, allocations, calculations or other information relating to the current Annual True-uUpdate and notify ~~the PTO(s)~~RIE of any specific Informal Challenges. Failure to pursue an issue through an Informal Challenge shall not bar pursuit of that issue as part of a Formal Challenge with respect to the same Annual True-uUpdate as long as the Interested Party has submitted an Informal Challenge on any issue with respect to that Annual True-uUpdate. Failure to submit a Formal Challenge regarding any particular issue as to a given Annual True-uUpdate shall bar pursuit of such issue with respect to that Annual True-uUpdate, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-uUpdate, ~~or an Annual Update correction under Section VII~~.
- a. The Interested Party submitting an Informal Challenge to ~~RIE~~the PTO(s) must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents, as applicable, to support its challenge. ~~The PTO(s)~~RIE shall make its best efforts to respond to any Informal Challenges within 20 days but no later than December 30~~in accordance with the Timeline~~. ~~The PTO(s)~~RIE shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If ~~the PTO(s)~~RIE disagrees with such challenge, ~~the PTO(s)~~RIE will provide the Interested Party(ies) with a written explanation supporting the inputs, explanations, allocations, calculations, or other information and why they disagree with the Informal Challenge.
- ~~b. The PTO(s) will cause to be posted publicly all Informal Challenges from Interested Parties and the PTO’s(s’) response(s) to such Informal Challenges; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by the PTO(s) to be confidential information, such information will not be publicly posted but will be provided by the PTO(s) to requesting parties pursuant to a confidentiality agreement to be executed by the PTO(s) and the requesting party. In such a case, there will be a notice posted that the information requested is available pursuant to a confidentiality agreement.~~

2. Interested Parties shall file Formal Challenges with the Commission ~~pursuant to these Protocols in accordance with the Timeline~~ on or before February 15. Formal Challenges shall only be initiated after the Informal Challenge process has been pursued and the results not found satisfactory to one or more of the Interested Parties making the Formal Challenge.
- a. A Formal Challenge shall:
- i. Clearly identify the action or inaction in the current Annual True-uUpdate which is alleged to violate the BITS Surcharge Formula Rate or the provisions of this Agreement~~Protocols~~;
 - ii. Explain how the action or inaction violates the BITS Surcharge Formula Rate or the provisions of this Agreement~~Protocols~~;
 - iii. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, which will include the following items, where applicable:
 - (a) The extent or effect of an Accounting Change;
 - (b) Whether the Annual True-uUpdate fails to include data properly recorded in accordance with ~~these~~ provisions in this Agreement~~Protocols~~;
 - (c) The proper application of the ~~Formula Rate~~BITS Surcharge to the Annual True-uUpdate and procedures in the provisions of this Agreement~~se Protocols~~;
 - (d) The recording and accounting of costs pursuant to Commission accounting practices and procedures or accounting practices applicable to municipal entities;
 - (e) The accuracy of data included in the Annual True-uUpdate and the calculations and charges made therein;
 - (f) The consistency with the ~~Formula Rate~~BITS Surcharge of data included in the Annual True-uUpdate.
 - ~~(g) The accuracy of the inputs in accordance with the Applicable Form to the extent applicable;~~
 - ~~(h)~~(g) The prudence of actual costs and expenditures;

~~(j)(h)~~ The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form; or

~~(j)(i)~~ Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the ~~Formula Rate~~BITS Surcharge.

- iv. Make a good faith effort to quantify the financial impact of the items comprising the Formal Challenge;
 - v. State whether the issues presented in the Formal Challenge are pending in an existing Commission proceeding or in any other proceeding of which the party is aware, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
 - vi. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
 - vii. Include all documents that support the facts in the Formal Challenge in possession of or otherwise obtainable by the filing party, including but not limited to affidavits; and
 - viii. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, why not.
- a. Any Interested Party filing a Formal Challenge with the Commission must serve a copy of the Formal Challenge on ~~the PTO(s) and ISO-NE~~RIE by electronic service on the date of such filing. The party filing the Formal Challenge shall serve the individuals listed as the contact person on ~~the PTO's~~RIE's Informational Filing.
 - b. ~~The PTO(s)~~RIE must respond to the Formal Challenge by the schedule established by the Commission.
 - c. In response to a Formal Challenge, ~~the PTO(s)~~RIE shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has ~~(they have)~~ correctly applied the terms of the ~~Formula Rate~~BITS Surcharge calculation consistent with the ~~provisions of this Agreement~~se Protocols and the Tariff, and that it ~~(they)~~ followed the applicable requirements and procedures in these protocols in that year's Annual ~~True-u~~Update. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence issues.

3. ~~Subject to any moratorium on changes to the Formula Rate, and the exceptions thereto, described in Attachment F to Section II of the ISO-NE Tariff, n~~Nothing herein shall be deemed to limit in any way the right of ~~any PTO~~PTORIE to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the ~~Formula Rate~~BITS Surcharge or any of its inputs, or to replace the ~~Formula Rate~~BITS Surcharge with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the Federal Power Act and the regulations thereunder. ~~Subject to any moratorium described in the preceding sentence, f~~Failure to file an Informal Challenge or a Formal Challenge shall not bar anyone from making a Federal Power Act section 206 filing.
4. No Interested Party shall seek to modify the ~~Formula Rate~~BITS Surcharge under the Informal and Formal Challenge procedures (“Challenge Procedures”) set forth in these ~~Protocols~~provisions of this Agreement, and the Annual ~~True-u~~Update shall not be subject to challenge by anyone for the purpose of modifying the ~~BITS Surcharge~~Formula Rate. Any modifications to the ~~Formula Rate~~BITS Surcharge will require, as applicable, a Federal Power Act section 205 or section 206 filing.
5. Any challenges by an Interested Party to the implementation of the ~~Formula Rate~~BITS Surcharge must be made through the Challenge Procedures described in ~~Section VI of these Protocols~~this Agreement or in a separate complaint proceeding.
6. ~~Subject to Section VII, relating to Corrections to Annual Update, if no Formal Challenges are filed in accordance with these Protocols, then the transparency and challenge procedures related to the Annual Update, as contemplated in this Protocol document, shall be deemed complete for that Annual Update.~~
7. ~~Informal and Formal Challenges by an Interested Party regarding a single PTO’s costs, expenditures or data included in the Annual Update, including Informal and Formal Challenges concerning the allocation of costs among a PTO’s Tariff Rates, shall be directed to such PTO. Informal and Formal Challenges of Local Service rates or Schedule 12C costs shall be limited to the Affected Parties.~~